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LAKESIDE WATERWORKS, INC.

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COMMISSION
CLERK

December 19, 2012

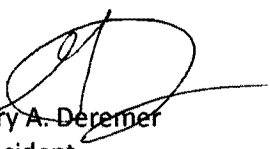
Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

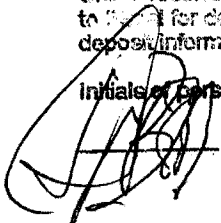
RE: Application for Approval of Transfer of Shangri-La By The Lake Utilities, Inc. to Lakeside Waterworks, Inc.

Enclosed on our Application of Transfer. In addition, a check to FPSC for \$1,500.00 has been provided.

If you have any further questions, please contact Carl Smith, Director at: 727 835 9522.

Respectfully,


Gary A. Deremer
President
Lakeside Waterworks, Inc.

Check received with filing and forwarded to fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Lakeside Waterworks, Inc. Application)
for Approval of Transfer of Shangri-La By The)
Lake Utilities, Inc. Water & Wastewater System)
In Lake County, FL)
_____)

Docket No. 120317-WS

Filed: December 20, 2012

**LAKESIDE WATERWORKS, INC.
APPLICATION FOR APPROVAL OF TRANSFER
OF SHANGRI-LA BY THE LAKE UTILITIES, INC. WATER & WASTEWATER
SYSTEMS**

IN LAKE COUNTY, FLORIDA

Lakeside Waterworks, Inc. ("LWI or "Buyer"), by and through its undersigned counsel, and pursuant to Sections 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code, hereby files this Application for approval of the transfer of the Water & Wastewater System of Shangri-La By The Lake Utilities, Inc.. ("Shangri-La" or "Seller") Certificate Nos. 567-W & 494-S. In support of this Application, LWI states as follows:

APPLICANT INFORMATION

1. The name and address of the Buyer for purposes of this Application, and as it appears on LWI's Commission-issued water & wastewater certificate are:

Lakeside Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652

COM _____
AFD 2
APA _____
ECO _____
ENG 1
GCL 1
IDM _____
TEL _____
CLK 1

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FPSC-COMMISSION CLERK

Tel: (727) 848 8292

Fax: (727) 848 7701

2. The name and address of LWI's authorized representatives are:

Gary Deremer
5320 Captains Court
New Port Richey, FL 34652
727-848-8292

Victoria Penick
6043 Fall River Drive
New Port Richey, FL 34655
727-848-8292

3. The Seller's representative for purposes of this Application is:

Mr. Jay and Mr. Andrew Werner
1214 W IL Rte 72
Leaf River, IL 61047
(815) 738 2508
(815)738 2508 (fax)

4. The shareholders via Harbor Waterworks, Inc. has been issued the following

FPSC Certificates:

Certificate No. 565-S and Certificate No. 522-W

5. Attached hereto is LWI's Application for Approval of Purchase of the Shangri-La Utility system in Lake County, Florida (the "Application"). The attached Application includes all of the information required by Rule 25-30.037, Florida Administrative Code.

**A. APPLICATION FOR APPROVAL OF TRANSFER OF SHANGRI-LA BY THE
LAKE UTILITIES, INC. SYSTEM**

I. FINANCIAL AND TECHNICAL INFORMATION

6. LWI is a Florida corporation authorized to do business in Florida as of August 29, 2012. The names and addresses of LWI's corporate officers and directors are listed in **Exhibit "A"** to the Application.

7. **Exhibit "B"** to the Application is a statement indicating how this purchase is in the public interest, including a summary of LWI's Shareholders experience in water and wastewater utility operations, a showing of LWI's financial ability to provide service and a statement that LWI will fulfill the commitments, obligations and representations of Shangri-La with regard to utility matters.

8. LWI is a privately held corporation and does not own any other water or wastewater utilities. **Exhibit "C"** to the Application is not applicable to LWI.

9. The sale of the Shangri-La system took place on November 16, 2012. **Exhibit "D"** to the Application is a copy of the Asset Purchase Agreement, including attachments, by and between Shangri-La and LWI, executed on or about October 18, 2012. Section 367.071(1), Florida Statutes, provides that a utility may sell its land, facilities and certificates prior to Commission determination that the sale is in the public interest, if the sale is made contingent upon Commission approval. Accordingly, Section 7.9 of the Asset Purchase Agreement provides that this sale of Shangri-La Water & Wastewater System is contingent upon Commission approval.

10. The Asset Purchase Agreement includes definitions of the “Water & Wastewater System Assets” and purchased by LWI (Section 1.3 of Agreement), the purchase price and terms of payment (Section 1.4 of Agreement), and a provision confirming that LWI is not assuming any liabilities or obligations of Shangri-La except for the obligation to provide water service (Section 1.5 of Agreement). The Agreement does not address:

- a. Any guaranteed revenue contracts;
- b. Developer agreements;
- c. Customer advances; and
- d. Debt of the utility.

11. **Exhibit “E”** to the Application is a statement regarding the disposition of any outstanding regulatory assessment fees for the Shangri-La system.

12. **Exhibit “F”** to the Application is a statement describing LWI’s financing of the sale.

13. **Exhibit “G”** to the Application is a list of any or all entities upon which LWI is relying to provide funding for the sale, and an explanation of the manner and amount of such funding, including financial statements and copies of any financial agreements with LWI.

14. **Exhibit “H”** to the Application is a detailed listing of the proposed net book value of the Water & Wastewater System as of the date of the proposed transfer, including the Commission Order and the date of issuance establishing rate base.

15. **Exhibit “I”** to the Application is a statement confirming that LWI is not requesting an acquisition adjustment.

16. The books and records of Shangri-La are available for inspection by the Commission. The name, address, and telephone number of the person who has possession of the books and records of Shangri-La are as follows:

Gary Deremer, President
Lakeside Waterworks, Inc.
5320 Captains Court
New Port Richey, FL 34652
(727) 848 8292
(727) 848 7701(fax)

Or for Shangri-La By The Lake Utilities, Inc.

Mr. Jay and Mr. Andrew Werner
1214 W IL Rte 72
Leaf River, IL 61047
(815) 738 2508
(815)738 2508 (fax)

17. **Exhibit “J”** to the Application is a statement from LWI regarding the federal income tax returns of Shangri-La.

18. **Exhibit “K”** to the Application is a statement from LWI regarding the condition of the Water & Wastewater System being acquired and the status of its compliance with applicable standards set by the Florida Department of Environmental Protection.

II. NOTICE OF ACTUAL APPLICATION

19. In accordance with Rule 25-30.030(2), Florida Administrative Code, LWI has obtained from the Commission a list of the names and addresses of the municipalities, the counties, the regional planning counsel, the Office of Public Counsel, the Commission’s Director of Commission Clerk and Administrative Services, the appropriate regional office of the Department of Environmental Protection, the appropriate water management districts, and privately-owned water and wastewater utilities that hold a certificate granted by the

Commission, and that are located within the county in which the systems proposed to be transferred are located.

20. In accordance with Rule 25-30.030(5), Florida Administrative Code, LWI will provide notice of this Application containing the information required under Rule 25-30.030(4), Florida Administrative Code, by regular mail to the governing body of each county and municipality contained in the list obtained from the Commission as referenced above, as well as the other entities contained in the list obtained from the Commission, within 7 days of filing this Application.

21. Pursuant to Rule 25-30.030(8), Florida Administrative Code, within 15 days of filing this Application, LWI will submit **Late-Filed Exhibit "L"** to the Application, which will include an affidavit confirming that the Notice of Application was provided as described in Paragraphs 19-20, along with a copy of the Notice and a copy of the list of entities obtained from the Commission.

22. In accordance with Rule 25-30.030(6), Florida Administrative Code, LWI will provide a notice by regular mail, to each customer of each system to be transferred within 7 days of filing this Application. Within 15 days of filing its Application, LWI will submit **Late-Filed Exhibit "M"** to the Application, which will include a copy of the Notice of Application provided to the customers, and an affidavit reflecting that it has provided the Notice of this Application to each customer of each system to be transferred.

23. In accordance with Rule 25-30.030(7), Florida Administrative Code, LWI will publish the Notice once in a newspaper of general circulation in the territory proposed to be transferred within 7 days of filing this Application. Within 15 days of filing this Application, LWI will submit **Late-Filed Exhibit "N"** to the Application, which will include an affidavit

reflecting that the Notice has been published once in a newspaper of general circulation in each territory proposed to be transferred, along with proof of each publication.

III. FILING FEE

24. The application fee required by Section 367.145, Florida Statutes, and Rule 25-30.020, Florida Administrative Code, has been submitted to the Commission Clerk of Administrative Services along with the filing of this Application.

IV. OTHER

25. **Exhibit “O”** to the Application provides evidence that LWI has obtained a 99 year lease for continuance of use of the land associated with the wastewater system and has provide a copy of a “blanket easement” which allows for access to the water plant facilities.

26. **Exhibit “P”** to the Application contains sample tariff sheets for each system proposed to be transferred reflecting the change in ownership, the existing rates and charges, and the territorial descriptions of the Water & Wastewater System.

27. **Exhibit “Q”** to the Application contains the current water & wastewater certificates (copies provided) issued by the Commission to Shangri-La, Certificate Nos. 567-W/494-S and Order No. PSC 96-0062-FOF-WS which serves as LWI’s Amended Certificates of Authorization for LWI’s Water & Wastewater System subject to the Commission jurisdiction.

WHEREFORE, LWI requests that this Commission:

A. Grant LWI’s Application;

- B. Approve the transfer of the Water & Wastewater System owned by Shangri-La By
The Lake Utilities, Inc. to LWI as described herein and in the attached application
and,
- C. Grant such other relief as appropriate.

Respectfully submitted this 20th day of December, 2012.

A handwritten signature in black ink, appearing to read 'Gary Deremer', with a long horizontal flourish extending to the right.

Gary Deremer
President
Lakeside Waterworks, Inc.

B. APPLICATION FOR AMENDMENT OF CERTIFICATES OF AUTHORIZATION

I. SYSTEM INFORMATION

28. LWI will provide potable water & wastewater service, to the territory. LWI will provide service to the territory by utilizing the current utility facilities. The permitted capacity of the existing water treatment facilities is 50,000 GPD while the wastewater treatment plant has a design capacity of 50,000 GPD.

29. The type of customers to be served single family homes along with the Shangri-La Community Center.

30. Attached hereto as **Exhibit "R"** if applicable, is a copy of the executed Lease (99 Year) as it relates to the wastewater facility and a "blanket easement: which relates to the Water Treatment Facilities.

II. FINANCIAL AND TECHNICAL INFORMATION

31. LWI has the technical and financial ability to render reasonably sufficient, adequate and efficient service to the territory.

32. Funding for the acquisition of the Shangri-La system was provided through shareholder's cash.

33. The rates for the Shangri-La systems were established by the Commission. The purchase of the Shangri-La system will not have an immediate impact on LWI's current rates.

III. TERRITORY DESCRIPTION AND MAPS

34. Attached hereto as **Exhibit "S"** is an accurate legal description of the water & wastewater territory proposed to be added using township, range and section references as specified by Rule 25-30.030(2), Florida Administrative Code.

35. Attached hereto as **Exhibit "T"** is an official county tax assessment map showing township, range and section of the territory.

36. Attached hereto as **Exhibit "U"** are maps showing the existing lines and facilities of the territory.

IV. ANNUAL REPORTS AND CERTIFICATES

37. Attached hereto as **Exhibit "V"** is an affidavit of Gary A. Deremer, the President and Chief Operating Officer of LWI, affirming that LWI does not have any tariffs or annual reports on file with the Commission. Shareholders also own Harbor Waterworks, Inc. which does have tariffs on file with the Commission but does not have any annual reports on file at the time of Application submittal.

38. Attached hereto as **Exhibit "W"** is Lakeside Waterworks Inc.'s acknowledgement that it does not have a recent order of the Commission establishing or changing the applicant's rates and charges.

V. AFFIDAVIT

39. Attached hereto as **Exhibit "X"** is an affidavit of Gary A. Deremer, the President and Chief Operating Officer of LWI, affirming that the facts stated herein and in the attached exhibits are true and correct.

WHEREFORE, LWI requests that this Commission grant LWI's Application and such other relief as is appropriate.

Respectfully submitted this 20th day of December, 2012.

A handwritten signature in black ink, appearing to be 'G. Deremer', with a long horizontal flourish extending to the right.

Gary Deremer
President
Lakeside Waterworks, Inc.

EXHIBIT A
Rule 25-30.037 (2)d)

If the buyer is a corporation, list the names, titles, and addresses of corporate officers and directors.

Officers and Directors:

President and CEO – Gary A. Deremer, 4939 Cross Bayou Blvd., New Port Richey, FL 34652
Cecil Delcher – Vice President, 11702 Forest Hills Dr., Tampa, FL 33612

EXHIBIT B
Rule 25-30.037 (3)(j)

A statement indicating how the transfer is in the public interest, including a summary of the buyer's experience in water and/or wastewater utility operations, a showing of the buyer's financial ability to provide service and a statement that the buyer will fulfill the commitments, obligations and representations of the seller with regard to utility matters.

The directors of Lakeside Waterworks, Inc. have been in the water and wastewater utility management, operations and maintenance related industry for many years and bring a level of Florida specific expertise that is not typical to private utility ownership within the State.

Gary Deremer – President: 27 years of Florida related water and wastewater industry experience; previous private utility ownership has included:

- Holiday Utility System – Holiday, FL
- Virginia City Utility System – New Port Richey, FL
- Dixie Groves Utility System – Holiday, FL
- Colonial Manor Utility System – Holiday, FL
- Pasco Utilities, Inc. – Zephyrhills, FL

Cecil Delcher – Vice President: 35 years of Florida related Operations, Construction, Capital Project Management; previous private utility ownership included:

- Pasco Utilities, Inc. – Zephyrhills, FL
- Colonial Manor Utility System – Holiday, FL
- D&D Wellfield Property

Mr. Deremer and Mr. Delcher also own Harbor Waterworks, Inc. which is regulated by the FPSC.

Mr. Deremer and Mr. Delcher have secured the services of U.S. Water Services Corporation to provide contract operating services and billing and collection service to LWI. Both Mr. Deremer and Mr. Delcher have controlled service delivery to more than 450+ facilities within the State of Florida during their careers, including billing/collection and customer service to more than 70,000 customers daily.

EXHIBIT C
Rule 25-30.037 (2)(f)

List the names and locations of other water and/or wastewater utilities owned by the buyer and PSC certificate numbers, if any.

Harbor Waterworks, Inc. – Lady Lake, Lake County, FL

Certificate No. 565-S and 522-W

EXHIBIT D
Rule 25-30.037 (2)(g)

A copy of the Asset Purchase Agreement, including attachments, by and between Shangri-La and Lakeside Waterworks, Inc. executed on October 18, 2012 is attached hereto.

THIS ASSET PURCHASE AGREEMENT, dated as of the 18th day of October 2012, by and between **SHANGRI-LA By The Lake Utilities, Inc.** with an address of 1214 West IL Route 72 Leaf River, IL 61047-9614 ("Seller"), and **Lakeside Waterworks, Inc. (Buyer)**, a Florida corporation with an address of 5320 Captains Court, New Port Richey, FL 34652 ("LWI," or "Buyer"), with reference to the following RECITALS:

RECITALS

A. Seller owns, maintains and operates: a) a water production and distribution system and; b) a wastewater collection and treatment system (collectively the "System") that provide water and wastewater service to the residents within Lake County, Florida (the "Service Area").

B. Buyer is a public utility that furnishes water and wastewater service to the public in various portions of the State of Florida.

C. Seller desires to sell, and Buyer desires to purchase the properties and rights of Seller owned and used in connection with its System, all upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the recitals and the covenants, representations, warranties and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. SALE AND PURCHASE OF THE SELLER'S WATER AND WASTEWATER SYSTEM ASSETS

Subject to the terms and conditions hereinafter set forth, Buyer shall purchase from Seller, and Seller shall sell, assign, transfer, grant, convey and deliver to Buyer at Closing (hereinafter defined), all of the System assets, properties and rights of Seller (whether tangible or intangible, real, personal or mixed) which are held, used or useful in connection with the production, treatment, distribution or collection of water and wastewater within the Service Area (the "Assets").

The Assets are being sold in "As Is" condition and Seller makes no representations, covenants or warranties with respect to the condition of the Assets, except that the Assets are being sold free and clear of all mortgages, liens, pledges, security interest, charges, taxes, claims, restrictions and encumbrances of any nature whatsoever. This paragraph shall be construed in a manner that does not limit any other representations or warranties provided by Seller within this Agreement.

1.1 Assets Further Defined

The Assets shall, without limitation to the definition stated above, include the specific assets, properties and rights of Seller set forth on Schedule 1.1, and the following:

- (a) all the land, buildings, pipes, pipelines, wells, treatment equipment and facilities, pumping stations, storage tanks and facilities, standpipes, fire hydrants, wastewater collection mains, pump stations, structures, irrigation service lines, improvements, fixtures, rights-of-way, rights, uses, licenses and easements owned by Seller, or in which Seller has an interest, and all hereditaments, tenements and appurtenances belonging or appertaining thereto;
- (b) all rights of Seller under any written or oral contract, easement, license, agreement,

lease, plan, instrument, registration, permit, certificate or other authorization or approval of any nature, or other document, commitment, arrangement, undertaking, practice or authorization, relating to the Assets;

- (c) all information, files, records, data, plans, contracts and recorded knowledge, including customer and supplier lists and property records, related to the utility services provided by Seller in Lake County.

1.2 Excluded Assets

Notwithstanding the foregoing, the Assets shall not include any of the following:

- (a) any and all customer service lines that run from outside the meter box or from the curb stop to each individual residence, commercial or industrial structure served by the Assets;
- (b) Any customer wastewater service lines that run from the curb clean-out area to the residences;
- (c) all piping and fixtures internal to each individual customer's structure;
- (d) Seller's cash and accounts receivables as of the date of Closing; and
- (e) Seller's Accounts Receivable

1.3 Consideration

The total purchase price ("Purchase Price") for the Assets will include: a) a total price of **Eighty-Five Thousand (\$85,000.00)** for the portion of the assets attributable to the water and wastewater assets. Seller will be paid upon Closing. Final Purchase Price will be determined by the establishment of the Rate Base by the FPSC during the Approval of Transfer Application. Buyer and Seller agree that if the FPSC determines that the portion of the Purchase Price attributable to assets used in connection with the System is less than 15 percent of the Purchase Price (Eighty-Five Thousand Dollars) then either Seller may reduce the Purchase Price to such amount or Buyer can unwind and terminate this Agreement. Prior to Closing, Buyer will perform a final due diligence of all facilities and assets. The due diligence is to ensure all assets are in the same working condition, that all permits are valid, current and that there are no compliance infractions in force at the time of the date of this final completion of this Agreement. If, after conducting the final due diligence, Buyer determines that the assets are not in the same working condition, that any permit is no longer valid or current, or that there are compliance infractions, Seller shall have 60 days to either correct the condition or reach an agreement with Buyer for a reduction to the purchase price. If Seller refuses to correct the condition or is unable to reach agreement with Buyer concerning a reduction to the Purchase Price, Buyer may elect to terminate this Agreement without penalty or to proceed to Closing.

1.4 Contractual Obligations

Buyer shall not assume any obligations of Seller, under any contract, agreement, commitment, lease, certificate, order, notice, permit or other instrument, whether oral, written, express or implied unless expressly assumed hereunder.

1.5 Non-Assumption of Liabilities

All liabilities and obligations of Seller shall remain the sole responsibility of Seller, including any and all liabilities or obligations under any employee benefit plan, practice or arrangement or pension, retirement or savings plan. Buyer shall not assume and shall not be liable for any liabilities or obligations of Seller of any nature whatsoever whether express or implied, fixed or contingent, whatsoever.

2. CLOSING

Subject to the provisions of Sections 4 and 5, Closing hereunder (the "Closing") shall take place at the offices of Buyer located at 4939 Cross Bayou Blvd., New Port Richey, FL, commencing at 10:00 a.m. local time, on or before November 16, 2012. The date of the Closing is referred to herein as the "Closing Date". The effective time of the legal transfer hereunder shall be 12:01 a.m. on the day following the Closing Date.

2.1 Items to be delivered at Closing

At the Closing and subject to the terms and conditions herein contained:

- (a) Seller shall deliver to Buyer the Assets, including, without limitation, the following:
 - (i) instruments and documents of conveyance and transfer, all in form reasonably satisfactory to Buyer and its counsel, as shall be necessary and effective to transfer and assign to, and vest in, Buyer good and marketable title to the Assets and all rights to operate the System as such is now being operated, including, but not limited to the following documents: a Deed for each parcel to be conveyed; a Bill of Sale and Assignments; an Assignment and Grant of Easement for any easement Buyer requires to utilize, maintain, repair and replace any facilities located outside of any parcels to be conveyed and/or publicly dedicated roadways; and an appropriate Sanitary Control Easement, when required, as they exist.
 - (ii) a complete and accurate list of the names and addresses of all customers of Seller, both in paper form and in electronic form on a diskette that can be downloaded to a computer, along with a billing history for each customer;
 - (ii) keys to any and all buildings and gates;and simultaneously with such delivery, all such steps shall be taken as may be required to put Buyer in actual possession and operating control of the Assets.
- (b) Seller shall deliver to Buyer the agreements, opinions, certificates and other documents and instruments referred to in Section 5 hereof.

- (c) Buyer and Seller agree that final meter readings shall be conducted within seven (7) days immediately prior to Closing. These readings shall be utilized by the Seller for the purpose of issuing final bills, and shall constitute the opening readings for Buyer. Buyer shall use these readings to begin the billing cycle for its new customers following Closing, and shall not be responsible for the collection of any amounts due Seller for bills issued by Seller as a result the Seller's final meter reading.
- In the event that Buyer determines that payments that it has received are payments for the period of time that Seller owned the Assets, Buyer will forward these payments to Seller within a reasonable period of time. In making such determinations, among other ways to determine whether the payment received is for payments due prior to Closing, Buyer will consult with Seller on the amount of the amounts due to Seller prior to Closing and will compare these amounts due with the amount received.

2.2 Transfer of Utilities

Seller and Buyer will cooperate to transfer utility service, including telephone, electric, chlorine, and gas service providing such service to any of the Assets as of the Closing Date.

2.3 Further Assurances

Seller, from time to time after the Closing, at Buyer's request, and without compensation, will execute, acknowledge and deliver to Buyer such other instruments of sale, conveyance, assignment and transfer and will take such other actions and execute and deliver such other documents, certifications and further assurances as Buyer may reasonably require in order to vest in Buyer, and/or to place Buyer fully in possession of, all of the Assets.

3. CONDUCT OF PARTIES PENDING CLOSING

3.1 Seller agrees that, with respect to the Assets, pending the Closing and except as otherwise agreed to in writing by Buyer:

- (a) The business of Seller shall be conducted solely in the ordinary course consistent with past practice and shall maintain and service the tangible Assets in good working order such that they will be in proper working order at Closing.
- (b) Seller will use its best efforts to maintain its relations and goodwill with its suppliers, customers and any others having business relations with it.
- (c) Seller shall comply with all laws, ordinances, rules, regulations and orders applicable to it and to the conduct of its business.
- (d) Seller will promptly advise Buyer in writing of all events between the date hereof and Closing which could render any representation or warranty under the Agreement, if restated and republished as of Closing, untrue or incorrect in any material respect.
- (e) Seller will promptly advise Buyer in writing promptly after Seller receives knowledge of the threat or commencement of any dispute, claim, action, suit, proceeding, arbitration or investigation against or involving the Assets or the sale and transfer thereof to Buyer, or

of the occurrence of any event (exclusive of general economic factors affecting business in general) of a nature that is or may be materially adverse to the business, operations, properties, assets, prospects or condition (financial or otherwise) of Seller.

- (f) Seller will conduct its business in such a manner that at the Closing the representations and warranties of Seller contained in this Agreement shall be true as though such representations and warranties were made on and as of such date. Furthermore, Seller will use its best efforts to cause all of the conditions to this Agreement to be satisfied on or prior to the Closing Date.
- (g) Seller will give to Buyer free and full access to and the right to inspect, during normal business hours, all of the premises, properties, assets, records, contracts and other documents relating to its business and operations, and shall permit them to consult with the officers, employees, accountants, counsel and agents of Seller.

4. CONDITIONS PRECEDENT TO SELLER'S OBLIGATIONS

All obligations of Seller under this Agreement are subject to the fulfillment or satisfaction, or waiver by Seller, prior to or at the Closing, of each of the following conditions precedent:

4.1 Closing Certificate; Performance by Buyer

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing; and Seller shall have been furnished with a certificate or certificates of Buyer dated the Closing Date, signed by an officer of Buyer, certifying, in such detail as Seller may reasonably request, to the fulfillment of the foregoing conditions and that all representations and warranties made by Buyer in this Agreement are true and correct as of Closing, except such as have been rendered incorrect because of events which occurred after the date hereof, as disclosed in writing by Buyer to Seller within a reasonable time after the event occurred.

4.2 Litigation Affecting Closing

On the Closing Date, no proceeding shall be pending or threatened before any court or governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or in the consummation of the transactions contemplated hereby, and no investigation that might eventuate in any such suit, action or proceeding shall be pending or threatened.

5. CONDITIONS PRECEDENT TO BUYER'S OBLIGATIONS

All obligations of Buyer under this Agreement are conditioned upon the fulfillment or satisfaction, or waiver by Buyer, prior to or at the Closing, of each of the following conditions precedent:

5.1 Satisfaction with Operational and Real Estate Title Issues

(a) There will be no transfer of Real Estate. The Utility's facilities are on leased land and Buyer will receive an agreeable lease or easement for all utility facilities to include plant, lift stations, access, and for collection and distribution lines.

(b) Buyer shall receive all agreed upon necessary easements from Seller to operate, gain access to, and provide necessary services to utility facilities.

(c) Buyer shall receive an agreeable 99 year lease from Seller associated with all applicable property necessary to continue and expand water and wastewater services associated with utility "service area".

5.2 Closing Certificate: Performance by Seller

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing; and Buyer shall have been furnished with a certificate or certificates of Seller dated the Closing Date, signed by the appropriate officials of Seller, certifying, in such detail as Buyer may reasonably request, to the fulfillment of the foregoing conditions and that all representations and warranties are true and correct as of Closing.

5.3 Litigation Affecting Closing

On the Closing Date, no proceeding shall be pending or threatened before any court or governmental agency in which it is sought to restrain or prohibit or to obtain damages or other relief in connection with this Agreement or the consummation of the transactions contemplated hereby, and no investigation that might eventuate in any such suit, action or proceeding shall be pending or threatened.

5.4 Seller Authorizations

Seller shall have furnished Buyer with certified copies of all proceedings of Seller, including a signed and certified copy of the appropriate document(s) authorizing the transactions hereby contemplated.

5.5 Governmental Approvals

Buyer shall have received within ninety (90) days, all governmental approvals and authorizations needed for the transfer of the Assets, including, but not limited to, the FDEP, and the Water Management District, upon terms and conditions acceptable to Buyer, to enable Buyer to assume Governmental ownership and operation of the System Assets and to provide water and wastewater service to the public in the service territory presently being served by Seller. Buyer and Seller will use reasonable efforts to achieve any necessary approvals within ninety (90) days from the Closing Date.

5.6 Regulatory Approval Contingency. The sale of assets contemplated by this Agreement is subject to and contingent upon the receipt of a favorable Florida Public Service Commission ("FPSC") staff recommendation and FPSC approval upon terms and conditions reasonably acceptable to Buyer as to such recommendation and approval. As provided in Section 367.071, Florida Statutes, the parties desire to close the transaction in advance of the FPSC's approval. In the event that the FPSC determines that the sale and transfer of the Water System Assets and the Waste Water System Assets is not in the public interest and that Buyer will not fulfill the commitments, obligations, and representations of the utility, and, therefore, the FPSC denies such transfer, then the Water System Assets and the Waste Water System Assets remain with the Seller and any and all agreements or understandings will be null and void between the Seller and Buyer.

5.7 Material Damage

The Assets shall not be, or be threatened to be, materially adversely affected by fire, explosion, earthquake, disaster, accident, cessation or interruption of utility or other services, flood, drought, lack of water supply, contamination of water supply, embargo, riot, civil disturbance, uprising, activity of armed forces or act of God or public enemy, or any other event or occurrence.

5.8 Satisfaction of Buyer

All actions, proceedings, resolutions, instruments and documents required to carry out this Agreement or incidental hereto and all other related matters shall have been approved on the Closing Date by Buyer in the exercise of its reasonable judgment.

6. REPRESENTATIONS AND WARRANTIES OF SELLER

6.1 Seller hereby represents and warrants to Buyer as follows:

- (a) Organization. Shangri-la by the Lake Utilities, Inc. as a Sub-Chapter S Corporation is duly organized, validly existing and in good standing under the laws of the State of Florida.
- (b) System Ownership. Seller holds the exclusive right, title, interest and power to sell the assets of Shangri-la by the Lake Utilities, Inc.
- (c) Current Operations. Seller has all requisite power and authority and all agreements, contracts, commitments, leases, certificates, licenses, permits, regulatory authorizations and other instruments required to conduct the business of the System as it has been and is now being conducted and to own and operate the System.
- (d) Legal Authority. Seller has the full power and lawful authority to transfer to Buyer the rights, title and interest in and to the System.
- (e) Due Authorization; Valid and Binding. Seller has the full power and lawful authority to execute and deliver this Agreement and all related agreements and to consummate and perform the transactions contemplated hereby and has duly and validly authorized the execution of this Agreement and all related documents and agreements by all necessary proceedings. This Agreement and all related agreements constitute the valid and binding obligation of Seller.
- (f) No Approvals or Violations. This Agreement does not require any further approvals of any other party, does not violate any law, ordinance or regulation, does not conflict with any order or decree, and does not conflict with or result in a breach of any contract, lease or permit to which Seller is a party.
- (g) Party to Decree. Seller is not party to, or subject to the provision of, any judgment, order, writ, injunction or decree of any court or of any governmental official, agency or instrumentality relating to the System or the Assets.
- (h) List of Assets. Schedule 1.1 contains a true and complete list of the Assets.

- (i) Customer Records. The data contained in the customer records provided to Buyer is true and accurate.

6.2 Seller hereby represents and warrants to Buyer as follows:

- (a) Undisclosed Liabilities. There are no liabilities or obligations of Seller, either accrued, absolute, contingent or otherwise, relating to the Assets. For purposes of this Agreement, the term liabilities shall include, without limitation, any direct or indirect indebtedness, guaranty, endorsement, claim, loss, damage, deficiency, cost, expense, obligation or responsibility accrued, absolute, contingent or otherwise.
- (b) No Other Parties. No person other than Seller owns or has any interest in any equipment or other tangible assets or properties currently utilized or necessary to the operations or business of the Seller's Assets.
- (c) Rights to Facilities. Seller has good and valid rights to occupy and to obtain access to the areas where the distribution lines and other facilities of the Assets are located.
- (d) Compliance with Law. Seller is not in any material violation of any law, ordinance or governmental rule or regulation to which it or its business, operations, assets or properties is subject and has not failed to obtain, or to adhere to the requirements of, any certificate, license, permit or other governmental authorization necessary to the ownership of its assets and properties or to the conduct of its business.

6.3 Seller hereby represents and warrants to and with Buyer as follows with respect to compliance with environmental laws:

- (a) Compliance with Law. To the best of Seller's actual knowledge, Seller has been and is in compliance with all Environmental Laws (as hereinafter defined).
- (b) Adequacy of Permits. To the best of Seller's actual knowledge, after diligent inquiry and investigation, Seller has obtained and continues to possess all permits, licenses, approvals or other authorizations which are required under the Environmental Laws, has filed such timely and complete renewal applications as may be required prior to the Closing Date, and also has complied with all reporting and record keeping requirements under the Environmental Laws.

7. REPRESENTATIONS AND WARRANTIES OF BUYER

7.1 Buyer hereby represents and warrants to Seller as follows:

- (a) Organization. Buyer is a corporation duly organized and validly existing and in good standing under the laws of the State of Florida.
- (b) Due Authorization: Valid and Binding. Buyer has the full power and lawful authority to execute this Agreement and to consummate and perform the transactions contemplated hereby and has duly and validly authorized the execution of this Agreement by all necessary proceedings. This Agreement constitutes the valid and binding obligations of Buyer.

- (c) Financial Wherewithal. Buyer has the financial wherewithal to complete the purchase of the Assets as contemplated hereunder and upon completion of Closing, to operate and manage the Assets at, or exceeding, the level of service provided by the Seller prior to Closing.

8. INDEMNIFICATION

8.1 Indemnification of Seller

For a period of one (1) year from and after the Closing, Buyer will reimburse, indemnify and hold Seller and its officials and employees harmless from and against any and all liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including attorney's fees and costs resulting from, relating to, or arising out of:

- (a) the provision of water and wastewater service by Buyer for the period following Closing;
- (b) issues of regulatory compliance and claims by third parties for events that occur following the date of Closing that are not attributable to events that occurred prior to Closing;
- (c) the failure of Buyer to perform any of its covenants following Closing; and
- (d) the enforcement of this Section 8.

8.2 Indemnification of Buyer

For a period of one (1) year from and after the Closing, Seller will reimburse, indemnify and hold Buyer and its affiliates, and their officers, directors and employees, harmless from and against any and all liabilities, obligations, damages, losses, actions, audits, deficiencies, claims, fines, costs and expenses, including attorney's fees and costs resulting from, relating to, or arising out of:

- (a) any liabilities or obligations of Seller of any nature whatsoever except for those liabilities and obligations of Seller which Buyer specifically assumes pursuant to this Agreement;
- (b) any misrepresentation, breach of warranty or non-fulfillment of any agreement or covenant on the part of Seller under this Agreement, or from any misrepresentation in, or omission from, any Schedule or information furnished to Buyer pursuant to this Agreement or in connection with the negotiation, execution or performance of this Agreement;
- (c) the provision of water and wastewater service by Seller for the period prior to the date of Closing;
- (d) issues of regulatory compliance and claims by third parties for events that are attributable to events that occurred prior to Closing;

(e) the enforcement of this **Section 8**.

8.3 General

Each party shall provide the other party with reasonable notice of any claims arising under this **Section 8**. The indemnification rights of the parties under this **Section 8** are independent of and in addition to such rights and remedies as the parties may have at law or in equity or otherwise for any misrepresentation, breach of warranty, or failure to fulfill any agreement or covenant hereunder.

9. SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All representations, warranties and agreements made by the parties in this Agreement or in any written agreement, document, or certificate furnished hereunder or in connection with the negotiation, execution and performance of this Agreement shall survive the Closing for a period of one (1) year. Notwithstanding any investigation or audit conducted before or after the Closing Date or the decision of any party to complete the Closing, each party shall be entitled to rely upon the representations, warranties and agreements set forth herein and therein.

10. MISCELLANEOUS

10.1 Contents of Agreement; Parties in Interest; etc.

This Agreement sets forth the entire understanding of the parties hereto with respect to the transactions contemplated hereby. It shall not be amended or modified except by written instrument duly executed by each of the parties hereto.

10.2 Binding Effect

All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of and be enforceable by the legal representatives, successors and assigns of Seller or Buyer.

10.3 Notices

Any notice, request, demand, waiver, consent, approval or other communication which is required or permitted hereunder shall be in writing and shall be deemed given only if delivered personally or sent by telegram or by registered or certified mail, postage prepaid, return receipt requested, as follows:

If to Buyer:

Mr. Gary A. Deremer, President & CEO
Lakeside Waterworks, Inc
5320 Captains Court New Port Richey, FL 34652

If to Seller:

Mr. Jay E. Werner, President
Shangri-la by the Lake Utilities, Inc.
1214 W IL Route 72
Leaf River, IL 61047

or to such other address as the addressee may have specified in a written notice duly given to the sender as provided herein. Such notice, request, demand, waiver, consent, approval or other communication will be deemed to have been given as of the date so delivered, telegraphed or mailed.

10.5 Florida Law to Govern

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the State of Florida, without giving effect to any conflicts of laws provisions.

10.6 No Benefit to Others

The representations, warranties, covenants and agreements contained in this Agreement are for the sole benefit of the parties hereto, and their legal representatives, successors and assigns, and they shall not be construed as conferring any rights on any other persons.

10.7 Headings, Gender, etc.

All section headings contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement. Words used herein, regardless of the number and gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context requires.

10.8 Exhibits and Schedules

All Exhibits, Attachments and Schedules referred to herein are intended to be and hereby are specifically made a part of this Agreement.

10.09 Severability

Any provision of this Agreement that is invalid or unenforceable in any jurisdiction or under any circumstance shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction or under any circumstance shall not invalidate or render unenforceable such provision in any other jurisdiction or under any other circumstance, unless, in either event, the involved or unenforceable provision causes this Agreement to fail of its essential purpose.

10.10 Counterparts


This Agreement may be executed in any number of counterparts and any signatory hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an

original and all of which counterparts taken together shall constitute but one and the same instrument. This Agreement shall become binding when one or more counterparts taken together shall have been executed and delivered by all signatories. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

Agreement on the date first written.

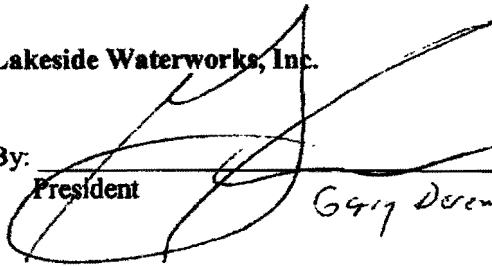
SELLER:

SHANGRI-LA BY THE LAKE UTILITIES, INC.

By:  _____
President

By: Jay E. Werner, president

Lakeside Waterworks, Inc.

By:  _____
President Gary Deemer, Pres.

Schedule 1.1 – Listing of Assets

Water System Assets:

- ❖ 2 wells constructed in 1982 (6") and 2001 (8")
- ❖ Submersible pumps – 10 and 30 HP respectively
- ❖ Generator
- ❖ 2 Hydropneumatic tanks – 3,000 and 5,000 gallon
- ❖ 1 concrete aeration tank system (15,000)
- ❖ Treatment facilities, chlorine pump, high service pumps
- ❖ All existing mains, meters, valves, and associated spare parts, piping, and equipment located on treatment plant site
- ❖ All potable water meters
- ❖ Fencing

Wastewater System Assets:

- ❖ Four lift stations and associated pumps, electrical panels, and other equipment associated with these lift stations (fencing, pump lift, etc.)
- ❖ All existing collection lines
- ❖ Manholes (15)
- ❖ One treatment plant consisting of:
 - 1 - 25,000 gallon steel , cylindrical tank (75% aeration, 25% digestion)
 - 1 - 20,000 gallon steel, cylindrical tank (100% aeration converted from clarification)
 - 2 concrete, rectangular clarifiers
 - 2 concrete chlorine contact tanks
 - 1 concrete, cylindrical effluent pump station
 - Effluent disposal spray field

EXHIBIT E
Rule 25-30.037 (2)(r)

A statement regarding the disposition of any outstanding regulatory assessment fees, fines or refunds owed.

The fees associated for the months of January – November 16, 2012 will be due by the Owner.

EXHIBIT F
Rule 25-30.037 (2)(i)

A statement describing the financing of the purchase.

Purchase Price: \$85,000.00

This purchase was a cash purchase by Shareholders of LWI

EXHIBIT G
Rule 25-30.037 (2)(k)

A list of all entities upon which the applicant is relying to provide funding to the buyer, and an explanation of the manner and amount of such funding, which shall include their financial statements and copies of any financial agreements with the utility. This requirement shall not apply to any person or entity holding less than 10 percent of ownership interest in the utility.

Not Applicable

EXHIBIT H
Rule 25-30.037 (2)(l)

The proposed net book value of the system as of the date of the proposed transfer. If rate base (or net book value) has been established previously by this Commission, state the Order No. and date issued. Identify all adjustment made to update this rate base (or net book value) to the date of the proposed transfer.

The proposed net book value as of the date of the proposed transfer is \$85,000.00. Rate Base for Shangri-La Water Utility LP was established in FPSC Order No.: 96-0062-FOF-WS.

EXHIBIT I
Rule 25-30.037 (2)(m)

A statement setting forth the reasons for an acquisition adjustment, if one is requested.

Not applicable.

EXHIBIT J
Rule 25-30.037 (2)(o)

A statement from the buyer that it has obtained or will obtain copies of all the federal income tax returns of the seller from the date the utility was first established, or rate base was last established by the Commission or, if the tax returns have not been obtained, a statement from the buyer detailing the steps taken to obtain the returns.

The Buyer has secured the applicable federal income tax returns for years 2006 - 2011.

EXHIBIT K
Rule 25-30.037 (2)(p)

A statement from the buyer that after reasonable investigation, the system being acquired appears to be in satisfactory condition and in compliance with all applicable standards set by the Department of Environmental Protection.

After reasonable investigation, LWI has determined that the systems acquired from Shangri-La was and is in satisfactory condition and are in compliance with all applicable standards set by the Florida Department of Environmental Protection (“FDEP”) and do not have any outstanding Notices of Violation or Consent Orders with the FDEP.

EXHIBIT L
Rule 25-30.030

An affidavit that the notice of actual application was given in accordance with Section 367-045(1), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, by regular mail.

Exhibit L will be a late-filed exhibit

EXHIBIT M
Rule 25-30.030

An affidavit that the notice of actual application was given in accordance with Rule 25-30.030, Florida Administrative Code, by regular mail or personal delivery to each customer of the system being transferred.

Exhibit M will be a late-file exhibit.

EXHIBIT N
Rule 25-30.030

Immediately upon completion of publication, an affidavit that the notice of actual application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30-030, Florida Administrative Code. A copy of the proof of publication shall accompany the affidavit.

Exhibit N will be a late-filed exhibit

EXHIBIT O
Rule 25-30.037 (2)(q)

Evidence that the utility owns the land where the utility treatment facility are located. Or, where the utility does not own the land, a copy of the agreement which provides for the long term, continuous use of the land, such as a 99-year lease. The Commission may consider a written easement or other cost-effective alternative.

A copy of the 99 year lease for the wastewater plant and disposal is attached along with the Blanket Easement that covers the water treatment facilities as well as all lines and lift stations are attached.

LAND LEASE

BY THIS AGREEMENT made and entered into as of the 16th day of November, 2012, between WERNER AND WERNER INCORPORATED., a Florida corporation, herein referred to as "Landlord" and LAKESIDE WATERWORKS, INC., a Florida corporation, herein referred to as "Tenant". Subject to the terms and conditions hereof, Landlord leases to Tenant the real property depicted on Exhibit "A" ("Premises"), As Is and not any improvements thereon.

I. TERM

1.1 Landlord demises the above Premises for a term of 99 years commencing on November 16, 2012 and terminating on November 15, 2111, or sooner as provided herein.

II. BASE RENT

2.1 Tenant shall pay base rent of \$400.00 per month due on the 1st day of each month together with any sales or use tax imposed thereon. The first month's rent shall be prorated. Such charge is subject to an annual adjustment effective the 1st day of January of each year beginning 2014 based on the increase in the Consumer Price Index ("CPI") published the last day of November in the year immediately prior to the increase. "CPI" means the United States Department of Labor, Consumer Price Index, U.S. City Average - All Urban Consumers, 1982-84 = 100, or, in the event the discontinuation of publication of such Consumer Price Index, then an alternative index which is reasonably related to the Consumer Price Index in evaluating the economic conditions prevailing at the time.

2.2 All rental payment shall be made to Landlord at 100 Shangri-La Blvd., Leesburg, FL 34788

2.3 Grace Period. The Tenant shall have a grace period of fifteen (15) days in which to pay the base rent or any additional rent due the Landlord under this Lease before Tenant can be considered in default under this Lease. No notice of default is required to be given by landlord for any default in the payment of base rent or additional rent.

III. REPAIRS AND MAINTENANCE

3.1 Repairs and Maintenance by Tenant. Tenant shall maintain and operate the Premises in accordance with all local, state and federal rules and regulations. Landlord shall have no maintenance responsibilities, except for that portion of the Premises that is subject to Section XXI hereof during such time as the storage shed remains on the Premises.

IV. USE OF PREMISES

4.1 The Premises may be used by Tenant for purposes of operating

a wastewater treatment plant and ancillary facilities thereto.

4.2 Tenant shall at all times during the Lease Term comply with the following requirements: (a) Tenant shall not cause, permit or suffer any Hazardous Material (as hereafter defined) to be brought upon, treated, kept, stored, disposed of, discharged, released, produced, manufactured, generated, refined or used upon, about or beneath the Premises or the Property by Tenant, its agents, employees, contractors, invitees or licensees (collectively, "Tenant Parties"), except to the extent commonly used in the day to day operation of the Premises by Tenant in compliance with all Environmental Requirements (as hereafter defined); (b) Tenant agrees that all operations or activities upon, or any use or occupancy of the Premises, or any portion thereof, by Tenant or any Tenant Parties shall be in all respects in compliance with all Environmental Requirements then governing or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, release, spillage, leakage, dumping, discharge or disposal of any Hazardous Materials; and (c) Tenant shall, at its sole costs and expense, promptly take all actions required by any federal, state or local governmental agency or political subdivision to mitigate Environmental Damages (as hereafter defined) which arise directly or indirectly from or in connection with the presence, suspected presence, release or suspected release of any Hazardous Material in or into the air, soil, surface water or groundwater at, on, about, under or within the Premises or Property, or any portion thereof, by Tenant or Tenant Parties. Tenant represents and warrants as follows: (a) Tenant shall obtain any and all permits, licenses and other authorizations which may be required under all Environmental Requirements, including laws relating to emissions, discharges, release or threatened releases of Hazardous Materials into the environment (including ambient air, surface water, ground water or land) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials; and (b) Tenant shall not construct, place, deposit, store, dispose of nor locate on the Premises or the Property, any PCB's, transformers, capacitors, ballasts, or other equipment which contains dielectric fluid containing PCB's, or any asbestos or asbestos-containing materials or any insulation material containing urea formaldehyde or any radon gas. Tenant agrees to indemnify, reimburse, defend, exonerate, pay and hold harmless: (a) Landlord, its affiliates and any other person or entity which holds or which may hereafter have an interest in this Lease; and (b) the directors, officers, shareholders, partners, employees and agents of Landlord and any other person or entity which has or which may

hereafter hold an interest in this Lease, from and against any and all Environmental Damages arising in any manner whatsoever out of the violation of or non-compliance with any Environmental Requirements, or the breach of any warranty or covenant or the inaccuracy of any representation of Tenant contained in this Lease. Each of the covenants, representations and warranties of Tenant contained in this Section of this Lease shall survive the termination or earlier expiration of this Lease.

V. ASSIGNMENT AND SUBLETTING

5.1 The Tenant shall neither assign, mortgage nor encumber this Lease, nor sub-let or permit the Premises or any part thereof to be used by others without the prior written consent of Landlord which shall not be unreasonably withheld.

VI. ALTERATIONS AND IMPROVEMENTS

6.1 All alterations, changes and improvements built, constructed, or placed on the Premises by Tenant, shall be the property of Tenant. Upon termination of this Lease, Tenant shall remove all improvements thereon and leave the property in cleared and graded condition.

VII. PROPERTY TAXES

7.1 Tenant shall pay as additional rent all real and personal property taxes assessed on the Premises.

VIII. ENTRY FOR INSPECTION AND REPAIRS

8.1 Upon reasonable notice to Tenant, Landlord shall have the right to enter the Premises: (1) to make inspections, and (2) for other lawful purposes.

IX. WASTE, NUISANCE, OR UNLAWFUL USE

9.1 Tenant shall not commit waste on the Premises, or maintain or permit to be maintained a nuisance thereon, or use or permit the Premises to be used in an unlawful manner.

X. DESTRUCTION OF PREMISES AND EMINENT DOMAIN

10.1 In the event the Premises are destroyed or rendered untenable by fire, storm, or earthquake, or other casualty not caused by the negligence of Tenant, or if the same are taken by eminent domain, this Lease will be at an end from such time except for the purpose of enforcing rights that may have accrued hereunder. The rent will then be calculated between the Landlord and Tenant up to

the time of such date and Landlord refunding the rent collected beyond that date.

10.2 Should only a part of the Premises be destroyed or rendered untenable by fire, storm, earthquake, or other casualty not caused by the negligence of Tenant, its patrons or invitees, the rent will abate in the proportion which the injured part bears to the whole Premises.

XI. WAIVERS

11.1 A waiver by Landlord of a breach of any covenant or duty of Tenant under this Lease is not a waiver of a breach of any other covenant or duty.

XII. NOTICES

12.1 All notices, demands, or other writings in this Lease provided to be given or made or sent, or which may be given or made or sent, by either party hereto to the other, will be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail and addressed as follows:

To Landlord: Werner & Werner, Inc.
1214 W. Illinois Route 72
Leaf River, IL 61047

To Tenant: Lakeside Waterworks, Inc.
4939 Cross Bayou Boulevard
New Port Richey, FL 34652

XIII. ENTIRE AND BINDING AGREEMENT

13.1 This Lease contains all of the agreements between the parties hereto, and it may not be modified in any manner other than by agreement in writing signed by all the parties hereto or their successors and assigns. The terms, covenants, and conditions contained herein will inure to the benefit of and be binding upon Tenant and Landlord and their respective successors and assigns, except as may be otherwise expressly provided in this Lease.

XIV. INSURANCE

14.1 Tenant shall, at its own expense, at all times during the term of this Lease, maintain in force a policy or policies of insurance, written by one or more responsible insurance carriers which will insure Landlord against liability for injury to or death of persons or loss or damage to property occurring in or about the Premises. The liability under such insurance shall not be less than \$500,000 for any one person killed or injured, and \$100,000 for one accident.

XV. LIENS

15.1 Tenant shall keep the Premises and every part thereof free and clear of any and all mechanics', materialmen's, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of Tenant, any alterations, improvements, repairs, or additions which Tenant may make or permit or cause to be made, or any work or construction, by, for, or permitted by Tenant on or about the Premises, or any obligations of any kind incurred by Tenant, and at all times promptly and fully to pay and discharge any and all claims on which any such lien may or could be based, and to indemnify Landlord and all of the Premises and all buildings and improvements thereon against all such liens and claims of liens and suits or other proceedings pertaining thereof. A Memorandum of Lease shall be executed and recorded memorializing this prohibition.

XVI. INDEMNIFICATION OF LANDLORD

16.1 Landlord shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by Tenant or by a person whosoever may at the time may be using or occupying or visiting the Premises or be in, on, or about the same, whether such loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of Tenant or of any occupant, subtenant, visitor, or user of any portion of the Premises, or shall result from or be caused by any other matter or thing whether of the same kind as or of a different kind than the matters or things above set forth, and Tenant shall indemnify Landlord against all claims, liability, loss or damage whatsoever on account of any such loss, injury, death or damage. Tenant hereby waives all claims against Landlord for damages to the building and improvements that are now on or hereafter placed or built on the Premises and to the property of Tenant, in, on, or about the Premises, and for injuries to persons or property in or about the Premises, from any cause arising at any time.

XVII. BREACH OR DEFAULT

17.1 Tenant shall have breached this Lease and shall be considered in default hereunder if, (1) Tenant files a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or makes an assignment for the benefit of creditors, (2) involuntary proceedings are instituted against Tenant under any bankruptcy act, (3) Tenant fails to pay any rent when due, or (4) Tenant fails to perform or comply with any of the non-rent covenants or conditions of this Lease and such failure continues for a period of fifteen days after receipt of notice thereof from Landlord.

XVIII. DEFAULT

18.1 In the event of any default hereunder by Tenant, Landlord, in addition to the other rights and remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Premises. Should Landlord elect to re-enter, as herein provided, or should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time without terminating this Lease relet the Premises, or any part thereof, for such term or terms and at such rental or rentals and on such other terms and conditions as Landlord in its sole discretion may deem advisable with a right to make alterations and repairs to the Premises. On each such reletting (a) Tenant shall be immediately liable to pay to Landlord, in addition to any indebtedness other than rent due hereunder, the expense of such reletting and for such alterations and repairs incurred by Landlord, and the amount, if any, by which the rent reserved in this Lease for a period of such reletting exceeds the amount agreed to be paid as rent for the Premises for such period on such reletting; or (b) at the option of Landlord, rents received by Landlord from such reletting shall be applied, first, to the payment of any indebtedness, other than rent due hereunder from Tenant to Landlord; second, to the payment of any expenses of such reletting and of such alteration and repairs; third, to the payment of rent due and unpaid hereunder and their residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. If Tenant has been credited with any rent to be received from such reletting under option (b) hereof during any month are less than that to be paid during the month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord. Such deficiency shall be calculated and paid monthly. No such re-entry or taking possession of the Premises by Landlord shall be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach. Should Landlord at any time terminate this Lease for any breach, in addition to any other remedy he may have, he may recover from Tenant all damages he may incur by reason of such breach, including the cost of recovering the Premises, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to the rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the Premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Tenant to Landlord.

XIX. TIME OF THE ESSENCE

19.1 Time is of the essence of this Lease, and of each and every covenant, term, condition and provision hereof.

XX. ATTORNEY'S FEES

20.1 The prevailing party in any legal action(s) that may arise as a result of this Lease shall be entitled to recover from the other party any and all court costs, which include attorney's fees, incurred as a result of the legal action(s), and for any appeals.

XXI. LANDLORD STORAGE SHED

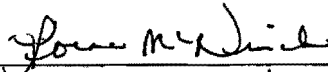
21.1 Landlord shall retain the right to keep its storage shed located at the Northeast corner of the Premises at its current location for a period of 12 months from the date of this Land Lease and Tenant shall provide Landlord with access thereto at all reasonable times.


IN WITNESS WHEREOF, the parties have executed this Lease effective in the day and year first above written.

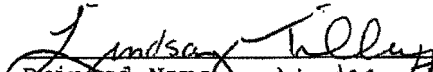
Witnesses:

LANDLORD:

WERNER AND WERNER INCORPORATED

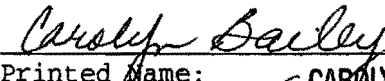

Printed Name: LORNA McIndoo

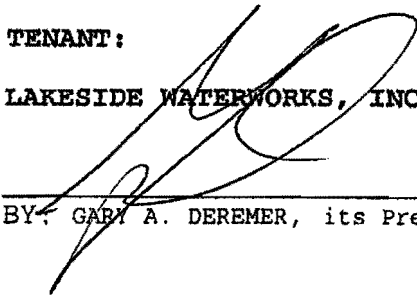

BY: JAY E. WERNER, its President

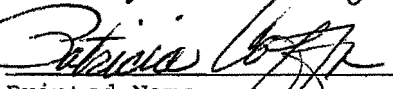

Printed Name: Lindsay Dinsley

TENANT:

LAKESIDE WATERWORKS, INC.


Printed Name: CAROLYN BAILEY


BY: GARY A. DEREMER, its President


Printed Name: PATRICIA COFFMAN

LEASED PREMISES

The South 685.00 feet of the East 380.00 feet of the Southeast 1/4 of the Southeast 1/4 of Section 1, Township 19 South, Range 25 East, in Lake County, Florida, LESS the East 50.00 feet and less the South 25.00 feet thereof

ADDENDUM 1 TO LAND LEASE

THIS ADDENDUM is to the Land Lease made and entered into as of the 16th day of November, 2012, between WERNER AND WERNER INCORPORATED., a Florida corporation, herein referred to as "Landlord" and LAKESIDE WATERWORKS, INC., a Florida corporation, herein referred to as "Tenant".

The following provision is added to the Land Lease, and except for this addition, the parties reaffirm the terms and conditions of the Land Lease:

XXII. LANDLORD USE OF LEASED PREMISES

22.1 Landlord shall retain the right to use the portion of the Leased Premises shown in cross-hatch on the attached map for storage and Tenant shall provide Landlord with access thereto at all reasonable times. Should Tenant require the use of this portion of the property for effluent disposal at some time in the future then upon 120 days written notice to Landlord, Landlord shall remove its property.

IN WITNESS WHEREOF, the parties have executed this Lease this 16 day of November, 2012.

Witnesses:

LANDLORD:

WERNER AND WERNER INCORPORATED

Keith E Zellers
Printed Name: Keith E Zellers

Jay E. Werner
BY: JAY E. WERNER, its President

Ken C Wilson
Printed Name: Ken C Wilson

TENANT:

LAKESIDE WATERWORKS, INC.

Printed Name: _____

BY: GARY A. DEREMER, its President

Printed Name: _____

ADDENDUM 1 TO LAND LEASE

THIS ADDENDUM is to the Land Lease made and entered into as of the 16th day of November, 2012, between WERNER AND WERNER INCORPORATED., a Florida corporation, herein referred to as "Landlord" and LAKESIDE WATERWORKS, INC., a Florida corporation, herein referred to as "Tenant".

The following provision is added to the Land Lease, and except for this addition, the parties reaffirm the terms and conditions of the Land Lease:

XXII. LANDLORD USE OF LEASED PREMISES

22.1 Landlord shall retain the right to use the portion of the Leased Premises shown in cross-hatch on the attached map for storage and Tenant shall provide Landlord with access thereto at all reasonable times. Should Tenant require the use of this portion of the property for effluent disposal at some time in the future then upon 120 days written notice to Landlord, Landlord shall remove its property.

16 IN WITNESS WHEREOF, the parties have executed this Lease this day of November, 2012.

Witnesses:

Printed Name: _____

Printed Name: _____

Carolyn Bailey
Printed Name: CAROLYN BAILEY

Patricia Coffman
Printed Name: PATRICIA COFFMAN

LANDLORD:

WERNER AND WERNER INCORPORATED

BY: JAY E. WERNER, its President

TENANT:

LAKESIDE WATERWORKS, INC.

Gary A. Deremer

BY: GARY A. DEREMER, its President



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EXHIBIT P
Rule 25-30.037 (2)(s)

Sample tariff sheets for each system proposed to be transferred reflecting the change in ownership, the existing rates and charges, and the territorial descriptions for each water and wastewater system.

See attached sample tariffs

WATER TARIFF

LAKESIDE WATERWORKS, INC.
NAME OF COMPANY

5320 Captains Court
New Port Richey, Florida 34652
(ADDRESS OF COMPANY)

727 848 8292 Business / 888 228 2124 Emergency
(BUSINESS AND EMERGENCY TELEPHONE NUMBERS)

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

GARY A DEREMER
ISSUING OFFICER
PRESIDENT
TITLE

WATER TARIFF

LAKESIDE WATERWORKS, INC.

NAME OF COMPANY

Lakeside Waterworks, Inc.
Attn: Gary Deremer
5320 Captains Court
New Port Richey, FL 34652
Telephone: (727) 848 8292

FILED WITH

FLORIDA PUBLIC SERVICE COMMISSION

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

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Description of Territory Served	3.1
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Rates and Charges Schedules	15.0
Rules and Regulations	6.0
Service Availability Policy	30.0
Standard Forms	24.0
Technical Terms and Abbreviations	5.0
Territory Authority	3.0

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

TERRITORY AUTHORITY

CERTIFICATE NUMBER – 567-W

COUNTY - Lake

COMMISSION ORDER(S) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-96-0062-FOF-WS	Jan 12, 1996	94 0653-WS	Original
PSC-06-0095-FOF-WS	Feb 10, 2006	05 0875-WS	Amended
PSC-06-0106-FOF-WS	Feb 13, 2006	05 0642-WS	Amended

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

DESCRIPTION OF TERRITORY SERVED

DESCRIPTION OF TERRITORY SERVED

The following described lands located in Section 6, Township 19 South, Range 26 East, Lake County, Florida:

Begin for a point of Beginning at the Southwest corner of Section 6, Township 19 South, Range 26 East, Lake County, Florida, also described as the Southwest corner of Government Lot 9 of said Section 6, run thence North 0° 28' 58" East a distance of 1285.90 feet to the Northwest corner of said Government Lot 9, run thence North 89° 59' 40" East a distance of 2711.55 feet, more or less, to the waters of Lake Eustis to a point hereby designated as Point "A"; begin again at the point of beginning and run East along the South line of said Section 6 a distance of 1363.00 feet, run thence North 100.00 feet, run thence East 450 feet, more or less, to the waters of Lake Eustis, run thence in a Northeasterly direction along the waters of Lake Eustis, to the aforesaid Point "A" and point of termination.

Also, the South 685 feet of the East 380 feet of the Southeast ¼ of the Southeast ¼ of Section 1, Township 19 South, Range 25 East. Less the East 50 feet and less the South 25 feet thereof.

That portion of Section 6, Township 19 South, Range 26 East, and that portion of section 7, Township 19 South, Range 26 East, all in Lake County, Florida bounded and described as follows:

Beginning at the Southwest corner of said Section 6, said corner also being the Northwest corner of said Section 7, run thence East 1363 feet to a point on the South line of said Section 6; thence North 100.00 feet; thence East 450 feet, more or less, to the waters of Lake Eustis and a point hereby designated as Point "A", thence return to the Point of Beginning and run South 00°09'59" East, 460.00 feet along the West line of said Section 7; thence South 63°00'00" East to the water of Lake Eustis, thence Northerly and Easterly along and with the said waters of Lake Eustis to the aforementioned Point "A" for point of terminus.

(Continued on Sheet No. 3.2)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

WATER TARIFF

DESCRIPTION OF TERRITORY SERVED CONTINUED

THAT PART OF GOVERNMENT LOT 7, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 66.00 FEET TO THE SOUTHERLY EXTENSION OF THE EAST RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN N00°04'08"W ALONG SAID SOUTHERLY EXTENSION, 33.00 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND EAST RIGHT OF WAY LINE OF SAID HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N00°04'08"W ALONG SAID EAST RIGHT OF WAY LINE, 951.09 FEET TO A POINT 300.00 FEET SOUTH OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7; THENCE RUN N89°26'52"E PARALLEL WITH THE NORTH LINE OF GOVERNMENT LOT 7, 726.00 FEET; THENCE RUN N00°04'08"W PARALLEL WITH THE WEST LINE OF GOVERNMENT LOT 7, 300.00 FEET TO A POINT 759.00 EAST OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7; THENCE RUN N89°26'52"E ALONG SAID NORTH LINE, 594.19 FEET TO THE MEANDER LINE AS ESTABLISHED BY U.S. GENERAL LAND OFFICE IN 1926; THENCE RUN S02°31'38"E ALONG SAID MEANDER LINE, 299.29 FEET; THENCE CONTINUE ALONG SAID MEANDER LINE S29°50'19"W, 667.71 FEET TO THE WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN S39°23'45"W ALONG SAID WESTERLY RIGHT OF WAY LINE, 490.42 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN S89°26'52"W ALONG SAID NORTH RIGHT OF WAY LINE, 688.37 FEET TO THE POINT OF BEGINNING.

INSIM ESTATES DESCRIPTION OF TERRITORY SERVED CONTINUED

THAT PART OF GOVERNMENT LOTS 7 AND 12, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 813.11 FEET TO THE EASTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N39°23'45"E ALONG SAID EASTERLY RIGHT OF WAY LINE, 130.44 FEET TO A LINE 100 FEET NORTH OF, WHEN MEASURED PERPENDICULAR TO, THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN N89°26'52"E ALONG SAID LINE 100 FEET NORTH OF GOVERNMENT LOT 12, 784 FEET MORE OR LESS TO THE WATER'S EDGE OF LAKE EUSTIS; THENCE RUN SOUTHWESTERLY ALONG SAID WATER'S EDGE TO THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN S89°26'52"W ALONG THE SOUTH LINE OF GOVERNMENT LOT 12 AND 7, 790 FEET MORE OR LESS TO THE POINT OF BEGINNING.

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.
WATER TARIFF

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheet No.</u>
Lake	Shangri-la	GS, RS	12.0, 13.0, 13.1
	Eagles Point	GS, RS	12.0, 13.0, 13.1

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for water consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide water service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive water service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is LAKESIDE WATERWORKS.
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive water service from the Company and who is liable for the payment of that water service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering water service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey water service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for water service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, AService@ shall be construed to include, in addition to all water service required by the Customer, the readiness and ability on the part of the Company to furnish water service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 5.0)

- 12.0 "SERVICE CONNECTION" - The point where the Company's pipes or meters are connected with the pipes of the Customer.

- 13.0 "SERVICE LINES" - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.

- 14.0 "TERRITORY" - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

INDEX OF RULES AND REGULATIONS

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Access to Premises	9.0	14.0
Adjustment of Bills	10.0	22.0
Adjustment of Bills for Meter Error.....	10.0	23.0
All Water Through Meter	10.0	21.0
Application	7.0	3.0
Applications by Agents	7.0	4.0
Change of Customer's Installation.....	8.0	11.0
Continuity of Service.....	8.0	9.0
Customer Billing	9.0	16.0
Delinquent Bills	7.0	8.0
Extensions	7.0	6.0
Filing of Contracts.....	10.0	25.0
General Information.....	7.0	1.0
Inspection of Customer's Installation.....	9.0	13.0
Limitation of Use.....	8.0	10.0
Meter Accuracy Requirements	10.0	24.0
Meters.....	10.0	20.0
Payment of Water and Wastewater Service Bills Concurrently.....	10.0	18.0

(Continued to Sheet No. 6.1)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.
WATER TARIFF

(Continued from Sheet No. 6.0)

	<u>Sheet Number:</u>	<u>Rule Number:</u>
Policy Dispute	7.0	2.0
Protection of Company's Property	8.0	12.0
Refusal or Discontinuance of Service	7.0	5.0
Right-of-way or Easements	9.0	15.0
Termination of Service.....	9.0	17.0
Type and Maintenance	7.0	7.0
Unauthorized Connections - Water	10.0	19.0

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

RULES AND REGULATIONS

- 1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders water service.
- The Company shall provide water service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.
- 2.0 POLICY DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.
- 3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled "Your Water and Wastewater Service" prepared by the Florida Public Service Commission.
- 4.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.
- 5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.
- 6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.
- 7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service. The Company reserves the right to discontinue or withhold water service to such apparatus or device.
- 8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, water service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 7.0)

9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous water service.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

10.0 LIMITATION OF USE - Water service purchased from the Company shall be used by the Customer only for the purposes specified in the application for water service. Water service shall be rendered to the Customer for the Customer's own use and the Customer shall not sell or otherwise dispose of such water service supplied by the Company.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's water service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for water service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from remetering.)

11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

(Continued on Sheet No. 9.0)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 8.0)

13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering water service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of water service.

16.0 CUSTOMER BILLING - Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a water or wastewater public Company shall not be incorporated into the rate for water or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

17.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where water service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, Florida Administrative Code.

(Continued on Sheet No. 10.0)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

(Continued from Sheet No. 9.0)

- 18.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company.
- 19.0 UNAUTHORIZED CONNECTIONS - WATER - Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
- 20.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control, in accordance with Rule 25-30.230, Florida Administrative Code.
- 21.0 ALL WATER THROUGH METER - That portion of the Customer's installation for water service shall be so arranged to ensure that all water service shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit water to by-pass the meter or metering equipment.
- 22.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be refunded or billed to the Customer as the case may be pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.
- 23.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.
- 24.0 METER ACCURACY REQUIREMENTS - All meters used by the Company should conform to the provisions of Rule 25-30.262, Florida Administrative Code.
- 25.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

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General Service, GS	12.0
Meter Test Deposit	15.0
Miscellaneous Service Charges	16.0
Residential Service, RS.....	13.0
Service Availability Fees and Charges.....	17.0

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service to all Customers for which no other schedule applies.

LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

Meter Size	Base Facility Charge
5/8" x 3/4"	\$ 12.97
3/4"	\$ 19.46
1"	\$ 32.44
1 1/2"	\$ 64.88
2"	\$103.81
3"	\$207.62
4"	\$324.41
6"	\$648.82

Gallonge Charge Per 1,000 gallons of water used: \$1.23

MINIMUM CHARGE - Equals Base Facility Charge Above

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE - April 13, 2012

TYPE OF FILING - Rate Index Increase

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

Meter Size	Base Facility Charge
5/8" x 3/4"	\$ 12.97
3/4"	\$ 19.46
1"	\$ 32.44
1 1/2"	\$ 64.88
2"	\$103.81
3"	\$207.62
4"	\$324.41
6"	\$648.82

Gallonge Charge Per 1,000 gallons of water used \$1.23

MINIMUM CHARGE - Monthly

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE - April 13, 2012

TYPE OF FILING - Rate Index Increase

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

IRRIGATION WATER SERVICE

RATE SCHEDULE

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

Meter Size	Base Facility Charge
All meter sizes	\$0.0
Gallonge Charge Per 1,000 gallons of water used	\$1.23

MINIMUM CHARGE - Monthly

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE - April 13, 2012

TYPE OF FILING - Rate Index Increase

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering water service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code. If:

- (A) The applicant for service furnishes a satisfactory guarantor to secure payment of bills for the service requested or,
- (B) The applicant pays a cash deposit or,
- (C) The applicant for service furnishes an irrevocable letter of credit from a bank or a surety bond.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Residential</u>	<u>General Service</u>
5/8" x 3/4"	\$ 45.00	\$0.0

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided. The company shall provide the customer with reasonable written notice of not less than 30 days where such request or notice is separate and apart from any bill for service. The total amount of the required deposit shall not exceed an amount equal to the average actual charge for water service for two monthly billing period of the 12-month period immediately prior to the date of notice. IN the event he customer has had serve less than 12-months, the company shall base it's new or additional deposit upon the average actual monthly billing available.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The rate of interest is 8% per annum. The payment of interest shall be made once each year as a credit on final bills. NO customer depositor will receive interest on his or her deposit until a customer relationship and the deposit have been in existence for at least six (6) months. At such time, the customer depositor shall be entitled to receive interest from the day of the commencement of the customer relationship and placement of the deposit. The Company will pay or credit accrued interest to the customer's account during the month of JULY each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has not, in the preceding 12 months:

(Continued to Sheet No. 20.1)

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

(A) made more than one late payment of the bill (after the expiration of 20 days from the date of mailing or delivery by the Company),

(B) paid with a check refused by a bank,

(C) been disconnected for non-payment, or

(D) at any time tampered with the meter or used service in a fraudulent or unauthorized manner.

Notwithstanding the above, the Company may hold the deposit of a non-residential customer after a continuous service of 23 months and shall pay interest on the non-residential customer's deposit at the rate of 9% per annum upon the retainment of such deposit.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE – February 23, 1996

TYPE OF FILING - Original Certificate

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

METER TEST DEPOSIT

METER BENCH TEST REQUEST - If any Customer requests a bench test of his or her water meter, in accordance with Rule 25-30.266, Florida Administrative Code, the Company may require a deposit to defray the cost of testing; such deposit shall not exceed the schedule of fees found in Rule 25-30.266, Florida Administrative Code.

<u>METER SIZE</u>	<u>FEE</u>
5/8" x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

REFUND OF METER BENCH TEST DEPOSIT - The Company may refund the meter bench test deposit in accordance with Rule 25-30.266, Florida Administrative Code.

METER FIELD TEST REQUEST - A Customer may request a no-charge field test of the accuracy of a meter in accordance with Rule 25-30.266, Florida Administrative Code.

EFFECTIVE DATE -February 23, 1996

TYPE OF FILING - Original Certificate

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATEWORKS, INC.

WATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

Schedule of Miscellaneous Service Charges

Initial Connection Fee	\$ <u>15.00</u>
Normal Reconnection Fee	\$ <u>15.00</u>
Violation Reconnection Fee	\$ <u>15.00</u>
Premises Visit Fee (in lieu of disconnection)	\$ <u>10.00</u>

EFFECTIVE DATE - February 23, 1996

TYPE OF FILING - Original Certificate

GARY A. DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.
 WATER TARIFF

SERVICE AVAILABILITY FEES AND CHARGES

<u>Description</u>	<u>Refer to Service Availability Policy</u>	<u>Amount</u>	<u>Sheet No./Rule No.</u>
<u>Back-Flow Preventor Installation Fee</u>			
5/8" x 3/4".....		\$	OWNER INSTALLED
1".....		\$	
1 1/2".....		\$	
2".....		\$	
Over 2".....		\$ ¹	
<u>Customer Connection (Tap-in) Charge</u>			
5/8" x 3/4" metered service.....		N/A	
1" metered service.....		\$	
1 1/2" metered service.....		\$	
2" metered service.....		\$	
Over 2" metered service.....		\$	
<u>Guaranteed Revenue Charge</u>			
With Prepayment of Service Availability Charges:			
Residential-per ERC/month (__ GPD).....		\$	
All others-per gallon/month.....		\$	
Without Prepayment of Service Availability Charges:			
Residential-per ERC/month (__ GPD).....		\$	
All others-per gallon/month.....		\$	
<u>Inspection Fee</u>		\$)	
<u>Main Extension Charge</u>			
Residential-per ERC (350GPD).....		\$	
All others-per gallon.....		\$	
or			
Residential-per lot (__ foot frontage).....		\$	
All others-per front foot.....		\$	
<u>Meter Installation Fee</u>			
5/8" x 3/4".....		\$125.00	31.0
1".....		\$	
1 1/2".....		\$	
Over 2".....		\$	
<u>Plan Review Charge</u>		\$	
<u>Plant Capacity Charge</u>			
Residential-per ERC 350_GPD).....		\$	
All others-per gallon.....		\$	
<u>System Capacity Charge</u>			
Residential-per ERC (__ GPD).....		\$	
All others-per gallon.....		\$	

EFFECTIVE DATE – February 23, 1996

TYPE OF FILING - Original Certificate

GARY A. DEREMER
 ISSUING OFFICER

PRESIDENT
 TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

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<u>Description</u>	<u>Sheet No.</u>
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APPLICATION FOR WATER SERVICE	20.0
COPY OF CUSTOMER'S BILL	22.0
CUSTOMER'S GUARANTEE DEPOSIT RECEIPT.....	19.0

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

ORIGINAL SHEET NO. 19.0

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

ORIGINAL SHEET NO. 20.0

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

APPLICATION FOR WATER SERVICE

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

NAME OF COMPANY: WATERWORKS, INC.

WATER TARIFF

Sample Application Form

Name _____

Telephone Number _____

Billing Address _____

City

State

Zip

Service Address _____

City

State

Zip

Date service should begin _____

Service requested:

Water _____ Wastewater _____ Both _____

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the water service; the Company reserves the right to discontinue or withhold water service to such apparatus or device.
2. The Company may refuse or discontinue water service rendered under application made by any member or agent of a household, organization, or business for any of the reasons contained in Rule 25-30.320, Florida Administrative Code. Any unauthorized connections to the Customer's water service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff. In addition, the Customer has received from the Company a copy of the brochure AYour Water and Wastewater Service@ produced by the Florida Public Service Commission.
4. Bills for water service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule. Bills must be paid within 20 days of mailing bills. If payment is not made after five working days written notice, service may be discontinued.
5. When a Customer wishes to terminate service on any premises where water and/or wastewater service is supplied by the Company, the Company may require (oral, written) notice within ____ days prior to the date the Customer desires to terminate service.

Signature

Date

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

APPLICATION FOR METER INSTALLATION

N/A

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

COPY OF CUSTOMER'S BILL

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

Harbor Waterworks

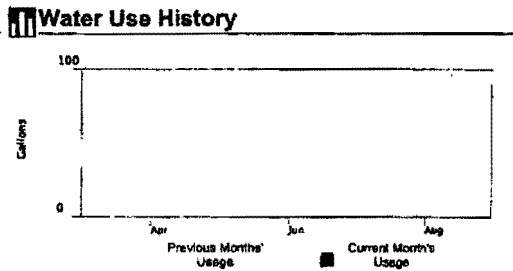
For Service To:

Account Number 118150
 Bill Date 08/28/2012
 Due Date 09/17/2012
 Total Amount Due \$33.16

If you have any questions, please call, fax or write.
 Customer Service / Moving: 1-888-228-2134
 Fax: 1-888-905-0440

Usage Data	Billing Period	Days	Meter Readings	Usage	Units
	08/22/2012	59	631	13	TGAL
	08/20/2012		644		
	Total Days: 69		Total Usage: 13		TGAL

Billing Detail	
Amount Owed From Last Bill	\$31.83
Adjustments	\$0.00
Total Payments Received	\$31.83
Prior Balance	\$0.00
New Charges	
Base charge	\$17.17
Water 13 @ 1.230000	\$15.99
Total Water 13 TGAL Charges	\$33.16
Total Current Charges	\$33.16
Total Amount Due 09/17/2012	\$33.16



Message Center

Your statement reflects all payments received and posted through August 27, 2012. Any payments posted after that date will be reflected on your next statement.

Please detach along perforation and return this portion with your payment. Keep top portion for your records.

000118150 0003316

Make Checks Payable To:
 Harbor Waterworks Inc
 Billing & Payment Processing Center
 P.O. Box 151245
 Cape Coral, FL 33915-1245
 Check this box for address correction or message. Please print on reverse side.
 Acct#: 118150 6046 TOPSAIL RD

Amount Due by 09/17/2012	\$33.16
Amount Enclosed: \$	

NAME/ADDRESS

Harbor Waterworks Inc
C/O US WATER
 P.O. BOX 151245
 CAPE CORAL, FL 33915-1245

OFFICER

MER
 ISSUING

PRESIDENT
 TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

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Availability		
Construction of Oversized Facilities		
Customer Connection (Tap-in)		
Customer Installation (Customer Maintained Lines)		
Cost Records and "As-Built" Plans		
Design by Independent Engineers		
Developer Agreements		
Easements and Rights-of-Way		
Extensions Outside Certificated Territory		
General Information		
Inspections		
Obligations of Developer		
Obligations of Company		
Off-Site Facilities		
On-Site Facilities		
Refundable Advances		
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Table of Daily Flows		
Transfer of Contributed Property - Bills of Sale		

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

INDEX OF SERVICE AVAILABILITY

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Service Availability Policy.....	24.0

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WATER TARIFF

SERVICE AVAILABILITY POLICY

Utility was originally developed to serve the LAKESIDE Hills subdivision. Service to adjacent areas will be provide if the applicant for service complies with the rules and regulations of the Florida Public Service Commission and pays all costs associated with such extension of service.

Definitions of Service

Application for Water Service: Applies to service requests where service has never been provided and will require a new meter installation. Also applies to service to existing customers for which the customer requests a separate meter for irrigation.

Meter Installation Fee: Applies to new service connections and existing customers for which the customer requests a separate meter for irrigation.

Capacity Charge: Applies per residential unit or ERC, plus the AFPI charges, based on the month payment is made.

Tap Fee: Applies on a per tap into the water main basis. No more than two meters can be associated to each tap for residential customers. The Utility will have the final decision on the number of meters associated with one tap based on the end use whether residential or general service.

The Allowance for Funds Prudently Invested (AFPI) is a charge to recover the carrying costs associated with the utility's investment in facilities built to serve future customers. The charge recovers the carrying costs incurred from the time the facility is placed in service until such time as the customer pays the SAC. The applicable AFPI is based on the month and year the payment is made is as follows:

OFFICER

GARY A. DEREMER
ISSUING

PRESIDENT
TITLE

WASTEWATER TARIFF

**LAKESIDE WATERWORKS, INC.
NAME OF COMPANY**

**FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION**

WASTEWATER TARIFF

LAKESIDE WATERWORKS, INC.

NAME OF COMPANY

Lakeside Waterworks, Inc.
Attn: Gary Deremer
5320 Captains Court
New Port Richey, FL 34652
Telephone: (727) 848 8292

FILED WITH
FLORIDA PUBLIC SERVICE COMMISSION

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

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Description of Territory Served	3.1
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Rates and Charges Schedules	11.0
Rules and Regulations	6.0
Service Availability Policy.....	23.0
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Territory Authority	3.0

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

TERRITORY AUTHORITY

CERTIFICATE NUMBER – 522-W

COUNTY - Lake

COMMISSION ORDER(S) APPROVING TERRITORY SERVED -

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-96-0062-FOF-WS	Jan 12, 1996	94 0653-WS	Original
PSC-06-0095-FOF-WS	Feb 10, 2006	05 0875-WS	Amended
PSC-06-0106-FOF-WS	Feb 13, 2006	05 0642-WS	Amended

(Continued to Sheet No. 3.1)

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

DESCRIPTION OF TERRITORY SERVED

DESCRIPTION OF TERRITORY SERVED

The following described lands located in Section 6, Township 19 South, Range 26 East, Lake County, Florida:

Begin for a point of Beginning at the Southwest corner of Section 6, Township 19 South, Range 26 East, Lake County, Florida, also described as the Southwest corner of Government Lot 9 of said Section 6, run thence North 0° 28' 58" East a distance of 1285.90 feet to the Northwest corner of said Government Lot 9, run thence North 89° 59' 40" East a distance of 2711.55 feet, more or less, to the waters of Lake Eustis to a point hereby designated as Point "A"; begin again at the point of beginning and run East along the South line of said Section 6 a distance of 1363.00 feet, run thence North 100.00 feet, run thence East 450 feet, more or less, to the waters of Lake Eustis, run thence in a Northeasterly direction along the waters of Lake Eustis, to the aforesaid Point "A" and point of termination.

Also, the South 685 feet of the East 380 feet of the Southeast ¼ of the Southeast ¼ of Section 1, Township 19 South, Range 25 East. Less the East 50 feet and less the South 25 feet thereof.

That portion of Section 6, Township 19 South, Range 26 East, and that portion of section 7, Township 19 South, Range 26 East, all in Lake County, Florida bounded and described as follows:

Beginning at the Southwest corner of said Section 6, said corner also being the Northwest corner of said Section 7, run thence East 1363 feet to a point on the South line of said Section 6; thence North 100.00 feet; thence East 450 feet, more or less, to the waters of Lake Eustis and a point hereby designated as Point "A", thence return to the Point of Beginning and run South 00°09'59" East, 460.00 feet along the West line of said Section 7; thence South 63°00'00" East to the water of Lake Eustis, thence Northerly and Easterly along and with the said waters of Lake Eustis to the aforementioned Point "A" for point of terminus.

(Continue on Sheet No. 3.2)

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

ORIGINAL SHEET NO. 3.2

WASTEWATER TARIFF

DESCRIPTION OF TERRITORY SERVED CONTINUED

THAT PART OF GOVERNMENT LOT 7, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 66.00 FEET TO THE SOUTHERLY EXTENSION OF THE EAST RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN N00°04'08"W ALONG SAID SOUTHERLY EXTENSION, 33.00 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND EAST RIGHT OF WAY LINE OF SAID HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N00°04'08"W ALONG SAID EAST RIGHT OF WAY LINE, 951.09 FEET TO A POINT 300.00 FEET SOUTH OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7; THENCE RUN N89°26'52"E PARALLEL WITH THE NORTH LINE OF GOVERNMENT LOT 7, 726.00 FEET; THENCE RUN N00°04'08"W PARALLEL WITH THE WEST LINE OF GOVERNMENT LOT 7, 300.00 FEET TO A POINT 759.00 EAST OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7; THENCE RUN N89°26'52"E ALONG SAID NORTH LINE, 594.19 FEET TO THE MEANDER LINE AS ESTABLISHED BY U.S. GENERAL LAND OFFICE IN 1926; THENCE RUN S02°31'38"E ALONG SAID MEANDER LINE, 299.29 FEET; THENCE CONTINUE ALONG SAID MEANDER LINE S29°50'19"W, 667.71 FEET TO THE WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN S39°23'45"W ALONG SAID WESTERLY RIGHT OF WAY LINE, 490.42 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN S89°26'52"W ALONG SAID NORTH RIGHT OF WAY LINE, 688.37 FEET TO THE POINT OF BEGINNING.

INSIM ESTATES DESCRIPTION OF TERRITORY SERVED CONTINUED

THAT PART OF GOVERNMENT LOTS 7 AND 12, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 813.11 FEET TO THE EASTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N39°23'45"E ALONG SAID EASTERLY RIGHT OF WAY LINE, 130.44 FEET TO A LINE 100 FEET NORTH OF, WHEN MEASURED PERPENDICULAR TO, THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN N89°26'52"E ALONG SAID LINE 100 FEET NORTH OF GOVERNMENT LOT 12, 784 FEET MORE OR LESS TO THE WATER'S EDGE OF LAKE EUSTIS; THENCE RUN SOUTHWESTERLY ALONG SAID WATER'S EDGE TO THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN S89°26'52"W ALONG THE SOUTH LINE OF GOVERNMENT LOT 12 AND 7, 790 FEET MORE OR LESS TO THE POINT OF BEGINNING.

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.
WASTEWATER TARIFF

COMMUNITIES SERVED LISTING

<u>County Name</u>	<u>Development Name</u>	<u>Rate Schedule(s) Available</u>	<u>Sheet No.</u>
Lake	Shangri-la	GS, RS	12.0, 13.0
	Eagles Point	GS, RS	12.0, 13.0

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "BFC" - The abbreviation for "Base Facility Charge" which is the minimum amount the Company may charge its Customers and is separate from the amount the Company bills its Customers for Wastewater consumption.
- 2.0 "CERTIFICATE" - A document issued by the Commission authorizing the Company to provide Wastewater service in a specific territory.
- 3.0 "COMMISSION" - The shortened name for the Florida Public Service Commission.
- 4.0 "COMMUNITIES SERVED" - The group of Customers who receive Wastewater service from the Company and whose service location is within a specific area or locality that is uniquely separate from another.
- 5.0 "COMPANY" - The shortened name for the full name of the utility which is LAKESIDE WATERWORKS.
- 6.0 "CUSTOMER" - Any person, firm or corporation who has entered into an agreement to receive Wastewater service from the Company and who is liable for the payment of that Wastewater service.
- 7.0 "CUSTOMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of the installation for rendering Wastewater service to the Customer's side of the Service Connection whether such installation is owned by the Customer or used by the Customer under lease or other agreement.
- 8.0 "MAIN" - A pipe, conduit, or other facility used to convey Wastewater service to individual service lines or through other mains.
- 9.0 "RATE" - Amount which the Company may charge for Wastewater service which is applied to the Customer's actual consumption.
- 10.0 "RATE SCHEDULE" - The rate(s) or charge(s) for a particular classification of service plus the several provisions necessary for billing, including all special terms and conditions under which service shall be furnished at such rate or charge.
- 11.0 "SERVICE" - As mentioned in this tariff and in agreement with Customers, AService@ shall be construed to include, in addition to all Wastewater service required by the Customer, the readiness and ability on the part of the Company to furnish Wastewater service to the Customer. Service shall conform to the standards set forth in Section 367.111 of the Florida Statutes.

(Continued to Sheet No. 5.1)

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 5.0)

- 12.0 **"SERVICE CONNECTION"** - The point where the Company's pipes or meters are connected with the pipes of the Customer.
- 13.0 **"SERVICE LINES"** - The pipes between the Company's Mains and the Service Connection and which includes all of the pipes, fittings and valves necessary to make the connection to the Customer's premises, excluding the meter.
- 14.0 **"TERRITORY"** - The geographical area described, if necessary, by metes and bounds but, in all cases, with township, range and section in a Certificate, which may be within or without the boundaries of an incorporated municipality and may include areas in more than one county.

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

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Application	7.0	3.0
Applications by Agents	7.0	4.0
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Customer Billing	9.0	16.0
Delinquent Bills	7.0	8.0
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General Information.....	7.0	1.0
Inspection of Customer's Installation.....	9.0	13.0
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Meter Accuracy Requirements	10.0	24.0
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(Continued to Sheet No. 6.1)

GARY A. DEREMER
 ISSUING OFFICER
PRIMARY SHAREHOLDER
 TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.
WASTEWATER TARIFF

(Continued from Sheet No. 6.0)

	<u>Sheet Number:</u>	<u>Rule Number:</u>
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GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

RULES AND REGULATIONS

1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every Customer to whom the Company renders Wastewater service.

The Company shall provide Wastewater service to all Customers requiring such service within its Certificated territory pursuant to Chapter 25-30, Florida Administrative Code and Chapter 367, Florida Statutes.

2.0 POLICY DISPUTE - Any dispute between the Company and the Customer or prospective Customer regarding the meaning or application of any provision of this tariff shall upon written request by either party be resolved by the Florida Public Service Commission.

3.0 APPLICATION - In accordance with Rule 25-30.310, Florida Administrative Code, a signed application is required prior to the initiation of service. The Company shall provide each Applicant with a copy of the brochure entitled AYour Wastewater and Wastewater Service,@ prepared by the Florida Public Service Commission.

4.0 APPLICATIONS BY AGENTS - Applications for Wastewater service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties or agents.

5.0 REFUSAL OR DISCONTINUANCE OF SERVICE - The Company may refuse or discontinue Wastewater service rendered under application made by any member or agent of a household, organization, or business in accordance with Rule 25-30.320, Florida Administrative Code.

6.0 EXTENSIONS - Extensions will be made to the Company's facilities in compliance with Commission Rules and Orders and the Company's tariff.

7.0 TYPE AND MAINTENANCE - In accordance with Rule 25-30.545, Florida Administrative Code, the Customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company and shall comply with all laws and governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the Wastewater service. The Company reserves the right to discontinue or withhold Wastewater service to such apparatus or device.

8.0 DELINQUENT BILLS - When it has been determined that a Customer is delinquent in paying any bill, Wastewater service may be discontinued after the Company has mailed or presented a written notice to the Customer in accordance with Rule 25-30.320, Florida Administrative Code.

(Continued on Sheet No. 8.0)

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 7.0)

9.0 CONTINUITY OF SERVICE - In accordance with Rule 25-30.250, Florida Administrative Code, the Company will at all times use reasonable diligence to provide continuous Wastewater service and, having used reasonable diligence, shall not be liable to the Customer for failure or interruption of continuous Wastewater service.

If at any time the Company shall interrupt or discontinue its service, all Customers affected by said interruption or discontinuance shall be given not less than 24 hours written notice.

10.0 LIMITATION OF USE - Wastewater service purchased from the Company shall be used by the Customer only for the purposes specified in the application for Wastewater service. Wastewater service shall be rendered to the Customer for the Customer's own use and the Customer shall not sell or otherwise dispose of such Wastewater service supplied by the Company.

In no case shall a Customer, except with the written consent of the Company, extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish Wastewater service to the adjacent property through one meter even though such adjacent property may be owned by him. In case of such unauthorized extension, sale, or disposition of service, the Customer's Wastewater service will be subject to discontinuance until such unauthorized extension, remetering, sale or disposition of service is discontinued and full payment is made to the Company for Wastewater service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing, and inspections. (This shall not be construed as prohibiting a Customer from remetering.)

11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the Customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The Customer shall be liable for any charge resulting from a violation of this Rule.

12.0 PROTECTION OF COMPANY'S PROPERTY - The Customer shall exercise reasonable diligence to protect the Company's property. If the Customer is found to have tampered with any Company property or refuses to correct any problems reported by the Company, service may be discontinued in accordance with Rule 25-30.320, Florida Administrative Code.

In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect, or misuse by the Customer, the cost of making good such loss or repairing such damage shall be paid by the Customer.

(Continued on Sheet No. 9.0)

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 8.0)

- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All Customer's Wastewater service installations or changes shall be inspected upon completion by a competent authority to ensure that the Customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required by local rules and ordinances, the Company cannot render Wastewater service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company.

Notwithstanding the above, the Company reserves the right to inspect the Customer's installation prior to rendering Wastewater service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 14.0 ACCESS TO PREMISES - In accordance with Rule 25-30.320(2)(f), Florida Administrative Code, the Customer shall provide the duly authorized agents of the Company access at all reasonable hours to its property. If reasonable access is not provided, service may be discontinued pursuant to the above rule.

- 15.0 RIGHT-OF-WAY OR EASEMENTS - The Customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of Wastewater service.

- 16.0 CUSTOMER BILLING - Bills for Wastewater service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule.

In accordance with Rule 25-30.335, Florida Administrative Code, the Company may not consider a Customer delinquent in paying his or her bill until the twenty-first day after the Company has mailed or presented the bill for payment.

A municipal or county franchise tax levied upon a Wastewater or wastewater public Company shall not be incorporated into the rate for Wastewater or wastewater service but shall be shown as a separate item on the Company's bills to its Customers in such municipality or county.

If a Company utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the Company shall bill the Customer the base facility charge regardless of whether there is any usage.

- 17.0 TERMINATION OF SERVICE - When a Customer wishes to terminate service on any premises where Wastewater service is supplied by the Company, the Company may require reasonable notice to the Company in accordance with Rule 25-30.325, Florida Administrative Code.

(Continued on Sheet No. 10.0)

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

(Continued from Sheet No. 9.0)

- 18.0 PAYMENT OF WASTEWATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - In accordance with Rule 25-30.320(2)(g), Florida Administrative Code, when both Wastewater and wastewater service are provided by the Company, payment of any Wastewater service bill rendered by the Company to a Customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company.
- 19.0 UNAUTHORIZED CONNECTIONS - WASTEWATER - Any unauthorized connections to the Customer's Wastewater service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
- 20.0 METERS - All Wastewater meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control, in accordance with Rule 25-30.230, Florida Administrative Code.
- 21.0 ALL WASTEWATER THROUGH METER - That portion of the Customer's installation for Wastewater service shall be so arranged to ensure that all Wastewater service shall pass through the meter. No temporary pipes, nipples or spaces are permitted and under no circumstances are connections allowed which may permit Wastewater to by-pass the meter or metering equipment.
- 22.0 ADJUSTMENT OF BILLS - When a Customer has been undercharged as a result of incorrect application of the rate schedule, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be refunded or billed to the Customer as the case may be pursuant to Rules 25-30.340 and 25-30.350, Florida Administrative Code.
- 23.0 ADJUSTMENT OF BILLS FOR METER ERROR - When meter tests are made by the Commission or by the Company, the accuracy of registration of the meter and its performance shall conform with Rule 25-30.262, Florida Administrative Code and any adjustment of a bill due to a meter found to be in error as a result of any meter test performed whether for unauthorized use or for a meter found to be fast, slow, non-registering, or partially registering, shall conform with Rule 25-30.340, Florida Administrative Code.
- 24.0 METER ACCURACY REQUIREMENTS - All meters used by the Company should conform to the provisions of Rule 25-30.262, Florida Administrative Code.
- 25.0 FILING OF CONTRACTS - Whenever a Developer Agreement or Contract, Guaranteed Revenue Contract, or Special Contract or Agreement is entered into by the Company for the sale of its product or services in a manner not specifically covered by its Rules and Regulations or approved Rate Schedules, a copy of such contracts or agreements shall be filed with the Commission prior to its execution in accordance with Rule 25-9.034 and Rule 25-30.550, Florida Administrative Code. If such contracts or agreements are approved by the Commission, a conformed copy shall be placed on file with the Commission within 30 days of execution.

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

INDEX OF RATES AND CHARGES SCHEDULES

	<u>Sheet Number</u>
Customer Deposits	14.0
General Service, GS	12.0
Miscellaneous Service Charges	16.0
Residential Service, RS.....	13.0
Service Availability Fees and Charges.....	17.0

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For Wastewater service to all Customers for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

RATE -

Meter Size	Base Facility Charge
5/8" x 3/4"	\$ 10.04
3/4"	\$ 15.06
1"	\$ 25.11
1 1/2"	\$ 50.22
2"	\$ 80.36
3"	\$160.71
4"	\$ 251.11
6"	\$ 502.22

Gallonge Charge Per 1,000 gallons of Wastewater used \$2.96

- MINIMUM CHARGE - Monthly Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for Wastewater service, service may then be discontinued.

EFFECTIVE DATE – April 13, 2012

TYPE OF FILING - Rate Index Increase

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For Wastewater service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

Meter Size	Base Facility Charge
All Sizes	\$10.04
Gallage Charge Per 1,000 gallons of Wastewater used	\$2.46 *
* 6,000 gallon cap per month	

MINIMUM CHARGE - Monthly

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for Wastewater service, service may then be discontinued.

EFFECTIVE DATE – April 13, 2012

TYPE OF FILING - Rate Index Increase

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

CUSTOMER DEPOSITS

ESTABLISHMENT OF CREDIT - Before rendering Wastewater service, the Company may require an Applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the Customer from complying with the Company's rules for prompt payment. Credit will be deemed so established if the Customer complies with the requirements of Rule 25-30.311, Florida Administrative Code.

AMOUNT OF DEPOSIT - The amount of initial deposit shall be the following according to meter size:

	<u>Residential</u>	<u>General Service</u>
5/8" x 3/4"	\$ 55.00	N/A
1"		
1 1/2"		
Over 2"		

ADDITIONAL DEPOSIT - Under Rule 25-30.311(7), Florida Administrative Code, the Company may require a new deposit, where previously waived or returned, or an additional deposit in order to secure payment of current bills provided. The company shall provide the customer with reasonable written notice of not less than 30 days where such request or notice is separate and apart from any bill for service. The total amount of the required deposit shall not exceed an amount equal to the average actual charge for water service for two monthly billing period of the 12-month period immediately prior to the date of notice. IN the event he customer has had serve less than 12-months, the company shall base it's new or additional deposit upon the average actual monthly billing available.

INTEREST ON DEPOSIT - The Company shall pay interest on Customer deposits pursuant to Rules 25-30.311(4) and (4a). The rate of interest is 8% per annum. The payment of interest shall be made once each year as a credit on final bills. NO customer depositor will receive interest on his or her deposit until a customer relationship and the deposit have been in existence for at least six (6) months. At such time, the customer depositor shall be entitled to receive interest from the day of the commencement of the customer relationship and placement of the deposit. The Company will pay or credit accrued interest to the customer's account during the month of JULY each year.

REFUND OF DEPOSIT - After a residential Customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the Company shall refund the Customer's deposit provided the Customer has not, in the preceding 12 months:

(continue on Sheet No. 14.1)

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
 TITLE

(A) made more than one late payment of the bill (after the expiration of 20 days from the date of mailing or delivery by the Company),

(B) paid with a check refused by a bank,

(C) been disconnected for non-payment, or

(D) at any time tampered with the meter or used service in a fraudulent or unauthorized manner.

Notwithstanding the above, the Company may hold the deposit of a non-residential customer after a continuous service of 23 months and shall pay interest on the non-residential customer's deposit at the rate of 9% per annum upon the retainment of such deposit.

Nothing in this rule shall prohibit the Company from refunding a Customer's deposit in less than 23 months.

EFFECTIVE DATE – February 23, 1996

TYPE OF FILING – Original Certificate

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATEWORKS, INC.

WASTEWATER TARIFF

MISCELLANEOUS SERVICE CHARGES

The Company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both Wastewater and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION - This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION - This charge may be levied for transfer of service to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION - This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE (IN LIEU OF DISCONNECTION) - This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

Schedule of Miscellaneous Service Charges

Initial Connection Fee	\$ <u>15.00</u>
Normal Reconnection Fee	\$ <u>15.00</u>
Violation Reconnection Fee	\$ <u>Actual Cost</u> ¹
Premises Visit Fee (in lieu of disconnection)	\$ <u>10.00</u>

1 – Actual Cost is equal to the total costs incurred for services.

EFFECTIVE DATE – February 23, 1996

TYPE OF FILING – Original Certificate

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.
 WASTEWATER TARIFF

SERVICE AVAILABILITY FEES AND CHARGES

<u>Description</u>	<u>Refer to</u> <u>Policy</u> <u>Amount</u>	<u>Service Availability</u> <u>Sheet No./Rule No.</u>
<u>Customer Connection (Tap-in) Charge</u>		
5/8" x 3/4" metered service.....	N/A	
1" metered service.....	\$	
1 1/2" metered service.....	\$	
2" metered service.....	\$	
Over 2" metered service.....	\$	
 <u>Guaranteed Revenue Charge</u>		
With Prepayment of Service Availability Charges:		
Residential-per ERC/month (__ GPD).....	\$	
All others-per gallon/month.....	\$	
Without Prepayment of Service Availability Charges:		
Residential-per ERC/month (__ GPD).....	\$	
All others-per gallon/month.....	\$	
<u>Inspection Fee</u>	\$	
<u>Main Extension Charge</u>		
Residential-per ERC (__ GPD).....	\$	
All others-per gallon.....	\$	
or		
Residential-per lot (__foot frontage).....	\$	
All others-per front foot	\$	
<u>Meter Installation Fee</u>		
5/8" x 3/4".....	\$	
1".....	\$	
1 1/2".....	\$	
Over 2".....	\$	
<u>Plan Review Charge</u>	\$	
<u>Plant Capacity Charge</u>		
Residential-per ERC __ GPD).....	\$	
All others-per gallon.....	\$	
<u>System Capacity Charge</u>		
Residential-per ERC (__ GPD).....	\$	
All others-per gallon.....	\$	

EFFECTIVE DATE – February 23, 1996

TYPE OF FILING – Original Certificate

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
 TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

INDEX OF STANDARD FORMS

<u>Description</u>	<u>Sheet No.</u>
APPLICATION FOR WASTEWATER SERVICE	20.0
COPY OF CUSTOMER'S BILL	22.0
CUSTOMER'S GUARANTEE DEPOSIT RECEIPT.....	19.0

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

ORIGINAL SHEET NO. 19.0

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

CUSTOMER'S GUARANTEE DEPOSIT RECEIPT

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

APPLICATION FOR WASTEWATER SERVICE

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: WATERWORKS, INC.

WASTEWATER TARIFF

Sample Application Form

Name _____

Telephone Number _____

Billing Address _____

City

State

Zip

Service Address _____

City

State

Zip

Date service should begin _____

Service requested:
Both _____

Wastewater _____ Wastewater

By signing this agreement, the Customer agrees to the following:

1. The Company shall not be responsible for the maintenance and operation of the Customer's pipes and facilities. The Customer agrees not to utilize any appliance or device which is not properly constructed, controlled and protected or which may adversely affect the Wastewater service; the Company reserves the right to discontinue or withhold Wastewater service to such apparatus or device.
2. The Company may refuse or discontinue Wastewater service rendered under application made by any member or agent of a household, organization, or business for any of the reasons contained in Rule 25-30.320, Florida Administrative Code. Any unauthorized connections to the Customer's Wastewater service shall be subject to immediate discontinuance without notice, in accordance with Rule 25-30.320, Florida Administrative Code.
3. The Customer agrees to abide by all existing Company Rules and Regulations as contained in the tariff. In addition, the Customer has received from the Company a copy of the brochure AYour Wastewater and Wastewater Service@ produced by the Florida Public Service Commission.
4. Bills for Wastewater service will be rendered - Monthly, Bimonthly, or Quarterly - as stated in the rate schedule. Bills must be paid within 20 days of mailing bills. If payment is not made after five working days written notice, service may be discontinued.
5. When a Customer wishes to terminate service on any premises where Wastewater and/or wastewater service is supplied by the Company, the Company may require (oral, written) notice within ____ days prior to the date the Customer desires to terminate service.

Signature

Date

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

COPY OF CUSTOMER'S BILL

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

Harbor Waterworks

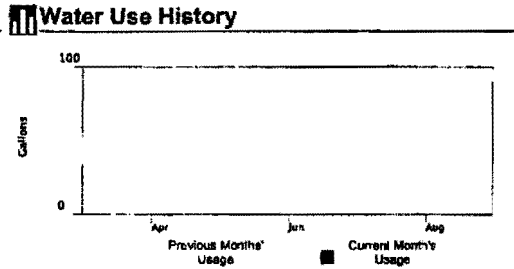
For Service To:

Account Number 118150
 Bill Date 08/28/2012
 Due Date 09/17/2012
 Total Amount Due \$33.16

If you have any questions, please call, fax or write.
 Customer Service / Moving: 1-888-228-2134
 Fax: 1-888-905-0440

Usage Data	Billing Period	Days	Meter Readings	Usage	Units
	06/22/2012	59	631	13	TGAL
	08/20/2012		644		
	Total Days: 69		Total Usage: 13		TGAL

Billing Detail	
Amount Owed From Last Bill	\$31.93
Adjustments	\$0.00
Total Payments Received	\$31.93
Prior Balance	\$0.00
New Charges	
Base charge	\$17.17
Water 13 @ 1.230000	\$15.89
Total Water 13 TGAL Charges	\$33.16
Total Current Charges	\$33.16
Total Amount Due 09/17/2012	\$33.16



Message Center
 Your statement reflects all payments received and posted through August 27, 2012. Any payments posted after that date will be reflected on your next statement.

Please detach along perforation and return this portion with your payment. Keep top portion for your records.

000118150 0003316

Make Checks Payable To:
 Harbor Waterworks Inc
 Billing & Payment Processing Center
 P.O. Box 151245
 Cape Coral, FL 33915-1245

Check this box for address correction or message. Please print on reverse side.
 Acct#: 118150 6046 TOPSAIL RD

Amount Due by 09/17/2012	\$33.16
Amount Enclosed: \$	

NAME/ADDRESS



Harbor Waterworks Inc
C/O US WATER
 P.O. BOX 151245
 CAPE CORAL, FL 33915-1245

GARY A. DEREMER
 ISSUING OFFICER
 PRIMARY SHAREHOLDER
 TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

INDEX OF SERVICE AVAILABILITY

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Availability		
Construction of Oversized Facilities		
Customer Connection (Tap-in)		
Customer Installation (Customer Maintained Lines)		
Cost Records and "As-Built" Plans		
Design by Independent Engineers		
Developer Agreements		
Easements and Rights-of-Way		
Extensions Outside Certificated Territory		
General Information		
Inspections		
Obligations of Developer		
Obligations of Company		
Off-Site Facilities		
On-Site Facilities		
Refundable Advances		
Schedule of Fees and Charges	Go to Sheet No. 17.0	
System Design and Construction		
Table of Daily Flows		
Transfer of Contributed Property - Bills of Sale		

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

INDEX OF SERVICE AVAILABILITY

<u>Description</u>	<u>Sheet Number</u>
Schedule of Fees and Charges.....	Go to Sheet No. 17.0
Service Availability Policy.....	24.0

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

NAME OF COMPANY: LAKESIDE WATERWORKS, INC.

WASTEWATER TARIFF

SERVICE AVAILABILITY POLICY

Utility was originally develop to serve the Shangri-La by the Lake subdivision. Service within or adjacent will be provided if the applicant for service complies with the rules and regulations of the Florida Public Service Commission and pays all costs associated with such extension of service.

GARY A. DEREMER
ISSUING OFFICER
PRIMARY SHAREHOLDER
TITLE

EXHIBIT Q
Rule 25-30.037 (2)(t)

The current water certificate issued for the Water & Wastewater System, was not available at the time of Application Filing.

LWI has requested the Certificates from the Owner. Attached are copies of both Certificates No. 567 -W and 494-S

FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

567-W

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

SHANGRI-LA BY THE LAKE UTILITIES, INC.

Whose principal address is:

1214 West IL Route 72
Leaf River, Illinois 61047-9614
(Lake County)

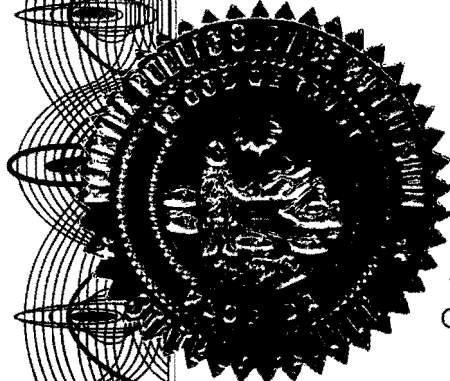
to provide water service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, canceled or revoked by Orders of this Commission.

ORDER	PSC-96-0062-FOF-WS	DOCKET	940653-WS
ORDER	PSC-06-0095-FOF-WS	DOCKET	050875-WS
ORDER	PSC-06-0106-FOF-WS	DOCKET	050642-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION

Rena S. Bayo
Commission Clerk and Administrative
Services Director



FLORIDA PUBLIC SERVICE COMMISSION

Certificate Number

494-S

Upon consideration of the record it is hereby ORDERED that authority be and is hereby granted to:

SHANGRI-LA BY THE LAKE UTILITIES, INC.

Whose principal address is:

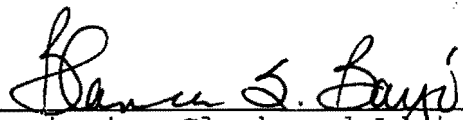
1214 West IL Route 72
Leaf River, Illinois 61047-9614
(Lake County)

to provide wastewater service in accordance with the provision of Chapter 367, Florida Statutes, the Rules, Regulations and Orders of this Commission in the territory described by the Orders of this Commission.

This Certificate shall remain in force and effect until suspended, canceled or revoked by Orders of this Commission.

ORDER	PSC-96-0062-FOF-WS	DOCKET	940653-WS
ORDER	PSC-06-0095-FOF-WS	DOCKET	050875-WS
ORDER	PSC-06-0106-FOF-WS	DOCKET	050642-WS
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	
ORDER		DOCKET	

BY ORDER OF THE
FLORIDA PUBLIC SERVICE COMMISSION



Commission Clerk and Administrative
Services Director

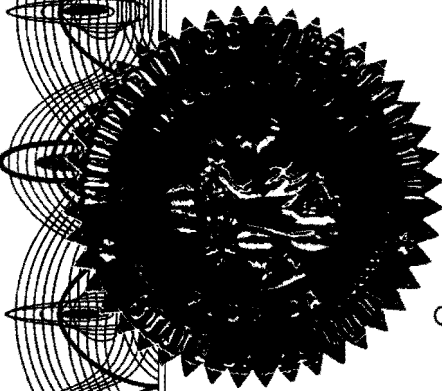


EXHIBIT R
Rule 25-30.036 (3)(d)

Evidence that the utility owns the land upon which the utility treatment facilities that will serve the proposed territory are located or a copy of an agreement, such as a 99-year lease, which provides for the continued use of the land.

All documents associated with Exhibit R are contained within Exhibit O of this Application.

EXHIBIT S
Rule 25-30.036 (3)(e)

A description of the territory proposed to be served using township, range and section references as specified in Rule 25-30.030 (2).

Water and Wastewater Territory Served

Exhibit T

Rule 25-30.036 (3)(i)

One copy of the official county tax assessment map or other map showing township, range and section, with a scale such as 1" = 200' or 1"= 400', with the proposed territory plotted there on by use of metes and bounds or quarter sections and with a defined reference point of beginning.

There were no maps held by the owner which meets the requirements of the FPSC. LWI is in the process of creating the maps for both the water and wastewater systems in accordance with the territorial legal descriptions and the associated lines and plants as depicted by various drawings held by the owner.

DESCRIPTION OF TERRITORY SERVED

WATER

The following described lands located in Section 6, Township 19 South, Range 26 East, Lake County, Florida:

Begin for a point of Beginning at the Southwest corner of Section 6, Township 19 South, Range 26 East, Lake County, Florida, also described as the Southwest corner of Government Lot 9 of said Section 6, run thence North 0° 28' 58" East a distance of 1285.90 feet to the Northwest corner of said Government Lot 9, run thence North 89° 59' 40" East a distance of 2711.55 feet, more or less, to the waters of Lake Eustis to a point hereby designated as Point "A"; begin again at the point of beginning and run East along the South line of said Section 6 a distance of 1363.00 feet, run thence North 100.00 feet, run thence East 450 feet, more or less, to the waters of Lake Eustis, run thence in a Northeasterly direction along the waters of Lake Eustis, to the aforesaid Point "A" and point of termination.

Also, the South 685 feet of the East 380 feet of the Southeast ¼ of the Southeast ¼ of Section 1, Township 19 South, Range 25 East. Less the East 50 feet and less the South 25 feet thereof.

That portion of Section 6, Township 19 South, Range 26 East, and that portion of section 7, Township 19 South, Range 26 East, all in Lake County, Florida bounded and described as follows:

Beginning at the Southwest corner of said Section 6, said corner also being the Northwest corner of said Section 7, run thence East 1363 feet to a point on the South line of said Section 6; thence North 100.00 feet; thence East 450 feet, more or less, to the waters of Lake Eustis and a point hereby designated as Point "A", thence return to the Point of Beginning and run South 00°09'59" East, 460.00 feet along the West line of said Section 7; thence South 63°00'00" East to the water of Lake Eustis, thence Northerly and Easterly along and with the said waters of Lake Eustis to the aforementioned Point "A" for point of terminus.

THAT PART OF GOVERNMENT LOT 7, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 66.00 FEET TO THE SOUTHERLY EXTENSION OF THE EAST RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN N00°04'08"W ALONG SAID SOUTHERLY EXTENSION, 33.00 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND EAST RIGHT OF WAY LINE OF SAID HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N00°04'08"W ALONG SAID EAST RIGHT OF WAY LINE, 951.09 FEET TO A POINT 300.00 FEET SOUTH OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7; THENCE RUN N89°26'52"E PARALLEL WITH THE NORTH LINE OF GOVERNMENT LOT 7, 726.00 FEET; THENCE RUN N00°04'08"W PARALLEL WITH THE WEST LINE OF GOVERNMENT LOT 7, 300.00 FEET TO A POINT 759.00 EAST OF THE NORTHWEST CORNER OF GOVERNMENT LOT 7; THENCE RUN N89°26'52"E ALONG SAID NORTH LINE, 594.19 FEET TO THE MEANDER LINE AS ESTABLISHED BY U.S. GENERAL LAND OFFICE IN 1926; THENCE RUN S02°31'38"E ALONG SAID MEANDER LINE, 299.29 FEET; THENCE CONTINUE ALONG SAID MEANDER LINE S29°50'19"W, 667.71 FEET TO THE WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN S39°23'45"W ALONG SAID WESTERLY RIGHT OF WAY LINE, 490.42 FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN S89°26'52"W ALONG SAID NORTH RIGHT OF WAY LINE, 688.37 FEET TO THE POINT OF BEGINNING.

INSIM ESTATES DESCRIPTION OF TERRITORY SERVED CONTINUED

THAT PART OF GOVERNMENT LOTS 7 AND 12, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 813.11 FEET TO THE EASTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N39°23'45"E ALONG SAID EASTERLY RIGHT OF WAY LINE, 130.44 FEET TO A LINE 100 FEET NORTH OF, WHEN MEASURED PERPENDICULAR TO, THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN N89°26'52"E ALONG SAID LINE 100 FEET NORTH OF GOVERNMENT LOT 12, 784 FEET MORE OR LESS TO THE WATER'S EDGE OF LAKE EUSTIS; THENCE RUN SOUTHWESTERLY ALONG SAID WATER'S EDGE TO THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN S89°26'52"W ALONG THE SOUTH LINE OF GOVERNMENT LOT 12 AND 7, 790 FEET MORE OR LESS TO THE POINT OF BEGINNING.

DESCRIPTION OF TERRITORY SERVED

WASTEWATER

The following described lands located in Section 6, Township 19 South, Range 26 East, Lake County, Florida:

Begin for a point of Beginning at the Southwest corner of Section 6, Township 19 South, Range 26 East, Lake County, Florida, also described as the Southwest corner of Government Lot 9 of said Section 6, run thence North 0° 28' 58" East a distance of 1285.90 feet to the Northwest corner of said Government Lot 9, run thence North 89° 59' 40" East a distance of 2711.55 feet, more or less, to the waters of Lake Eustis to a point hereby designated as Point "A"; begin again at the point of beginning and run East along the South line of said Section 6 a distance of 1363.00 feet, run thence North 100.00 feet, run thence East 450 feet, more or less, to the waters of Lake Eustis, run thence in a Northeasterly direction along the waters of Lake Eustis, to the aforesaid Point "A" and point of termination.

Also, the South 685 feet of the East 380 feet of the Southeast ¼ of the Southeast ¼ of Section 1, Township 19 South, Range 25 East. Less the East 50 feet and less the South 25 feet thereof.

That portion of Section 6, Township 19 South, Range 26 East, and that portion of section 7, Township 19 South, Range 26 East, all in Lake County, Florida bounded and described as follows:

Beginning at the Southwest corner of said Section 6, said corner also being the Northwest corner of said Section 7, run thence East 1363 feet to a point on the South line of said Section 6; thence North 100.00 feet; thence East 450 feet, more or less, to the waters of Lake Eustis and a point hereby designated as Point "A", thence return to the Point of Beginning and run South 00°09'59" East, 460.00 feet along the West line of said Section 7; thence South 63°00'00" East to the water of Lake Eustis, thence Northerly and Easterly along and with the said waters of Lake Eustis to the aforementioned Point "A" for point of terminus.

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EXHIBIT U
Rule 25-30.036 (3)(f)

One copy of a detailed system map showing the proposed lines, treatment facilities, and the territory proposed to be served. The map shall be of sufficient scale and detail to enable correlation with the description of the territory.

There were no maps held by the owner which meets the requirements of the FPSC. LWI is in the process of creating the maps for both the water and wastewater systems in accordance with the territorial legal descriptions and the associated lines and plants as depicted by various drawings held by the owner.

EXHIBIT V
Rule 25-30.036 (3)(r)

An affidavit that the utility has tariffs and annual reports on file with the Commission.

Attached is an affidavit of Gary A. Deremer President & Chief Operating Officer of LWI, affirming that LWI does not currently have tariffs on file with the FPSC.

Shangri-la by the lake does have tariffs and annual reports on file. Harbor Waterworks, Inc. – owned by Mr. Deremer and Mr. Delcher has tariffs on file but do not have annual reports on file.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Lakeside Waterworks, Inc.'s Application)
for Approval of Transfer of Shangri-La By The)
Lake Utilities, Inc. Water and Wastewater System)
in Lake, Florida.)
_____)

Docket No. _____

Filed: December 19, 2012

AFFIDAVIT

STATE OF FLORIDA:
COUNTY OF PASCO:

BEFORE ME, the undersigned authority, personally appeared Gary A. Deremer, who after being duly sworn, deposes and says:

1. That I, Gary A. Deremer, am the President and Chief Operating Officer of Lakeside Waterworks, Inc.

2. That I hereby affirm that Lakeside Waterworks, Inc. does not have tariffs on file nor annual reports. I Mr. Deremer does have tariffs on file with another system whereby I am the Majority Shareholder – Harbor Waterworks, Inc. I do not however have any annual reports on file with the Florida Public Service Commission.

3. Further, Affiant sayeth not.



GARY A. DEREMER

STATE OF FLORIDA:
COUNTY OF PASCO:

Subscribed and sworn to before me this 19 day of December, 2012, by Gary A. Deremer, who is personally known to me.





NOTARY PUBLIC
My Commission Expires:

EXHIBIT W
Rule 25-30.036 (3)(q)

The number of the most recent order of the Commission establishing or changing the applicant's rates and charges.

Attached is the original order for Shangri-La By The Lake establishing water and sewer rates.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for) DOCKET NO. 940653-WS
certificates to provide water and) ORDER NO. PSC-96-0062-FOF-WS
wastewater services in Lake County) ISSUED: January 12, 1996
by Shangri-La by the Lake)
Utilities, Inc.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER GRANTING CERTIFICATES NOS. 567-W AND 494-S, REQUIRING
UTILITY TO MAINTAIN BOOKS AND RECORDS, REQUIRING PAYMENT OF
REGULATORY ASSESSMENT FEES, AND FILING OF ANNUAL REPORT
AND
NOTICE OF PROPOSED AGENCY ACTION ORDER
ESTABLISHING RATE BASE, RETURN ON EQUITY,
RATE OF RETURN, AND RATES AND CHARGES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein regarding our establishing rate base, return on equity, rate of return, and rates and charges is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

Shangri-La by the Lake Utilities, Inc. (Shangri-La or utility) is an existing utility in Lake County, which currently provides water and wastewater service to 135 mobile homes and water service to five single family homes. At full capacity, the utility anticipates providing water and wastewater service to a total of 263 mobile homes and water service to eleven single family homes. The utility's requested service territory includes the additional territory which is not yet being served.

The operating revenue of the utility at full capacity with our approved rates, granted herein, will be approximately \$68,700 for water and \$78,400 for wastewater at these rates, making this a Class C utility. The current operating revenue based upon our approved rates will be \$37,587 for water and \$45,515 for wastewater. The current net operating income of the utility is based on the approved rates will be \$6,725 for water and \$9,124 for wastewater.

On June 17, 1994, Shangri-La filed an application for certificates to provide water and wastewater service in Lake County. The utility's application was found to be deficient. The utility corrected the deficiencies on February 15, 1995.

This utility was established on April 21, 1983. The utility's facilities consist of one water treatment plant, one water transmission and distribution system, one wastewater treatment plant, and one wastewater collection system. According to the application, the entire project was initially developed as a rental mobile home park which included water and wastewater service in the monthly lot rental fees. It was the understanding of the prior owner that a Public Service Commission (PSC) certificate was not required since the fees for water and wastewater service were included in the monthly lot rental fees. On February 28, 1992, the owner converted a portion of the project into a sales plat by recording the plat of Shangri-La Estates. The sales plat contained a total of 8 lots with water meters. The owner again investigated the need for a PSC certificate and understood that he still did not need a PSC certificate.

On October 7, 1992, Mr. William E. Werner entered into an agreement with Shangri-La by the Lake, Inc. to purchase Shangri-La by the Lake Mobile Home Park for the sum of \$1,750,000. The purchase included the mobile home park's water and wastewater facilities. After being informed by our staff that the utility was subject to PSC jurisdiction and was operating in violation of Section 367.031, Florida Statutes, the utility promptly filed this application for water and wastewater certificates.

NO SHOW CAUSE REQUIRED

As previously noted, Shangri-La was established on April 21, 1983. In 1994, we first discovered that this utility was serving metered customers. Our staff immediately informed the utility that it needed water and wastewater certificates. On June 17, 1994, the utility filed an application for certificates to provide water and wastewater service.

Section 367.031, Florida Statutes, states that "each utility subject to the jurisdiction of the Commission must obtain from the Commission a certificate of authorization to provide water or wastewater service or an order recognizing that the system is exempt from regulation as provided by s. 367.022." Section 367.161(1), Florida Statutes, authorizes the Commission to assess a penalty of not more than \$5,000 for each offense, if a utility is found to have knowingly refused to comply with, or to have willfully violated, any provision of Chapter 367, Florida Statutes.

Utilities are charged with the knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833). Thus, any intentional act, such as the utility's failure to obtain antecedent Commission approval to transfer the majority organizational control of its corporate grandparent, would meet the standard for a "willful violation." In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL titled In Re: Investigation Into The Proper Application of Rule 25-14.003, F.A.C., Relating To Tax Savings Refund for 1988 and 1989 For GTE Florida, Inc., the Commission, having found that the company had not intended to violate the rule, nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule." Id. at 6.

Operating a utility without obtaining certificates of authorization to provide water and/or wastewater service is an apparent violation of Section 367.031, Florida Statutes. However, the utility understood, that from 1983 until mid-1994, it did not need water and wastewater certificates. It was only after Mr. Werner purchased Shangri-La, that it was informed that it was in violation of Section 367.031, Florida Statutes, and needed certificates of authorization. Immediately after being informed, the utility filed an application for water and wastewater certificates. Since the utility cooperated in promptly filing its application, we do not find that this utility's apparent violation of Section 367.031, Florida Statutes, rises to the level of warranting that a show cause order be issued. Therefore, Shangri-La shall not be ordered to show cause.

APPLICATION

Except as previously discussed, the application is in compliance with the governing statute, Section 367.045, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for original certificates for an existing utility currently charging for service. The application contains a check

in the amount of \$1,500, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code.

The applicant provided evidence that the utility has a 99-year lease for use of the land upon which the utility's facilities are located as required by Rule 25-30.034(1)(e), Florida Administrative Code. The application contained a copy of a warranty deed which indicates that the land is owned by Werner and Werner, Inc. According to the utility's lease, Werner and Werner, Inc. agreed to lease the land to the utility for a term of 99 years for the sum of \$625 per month.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.034(1)(h), (i) and (j), Florida Administrative Code. A copy of the description of the territory is appended to this Order.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code, including notice to the customers in the proposed territory. We received no objections to the notice of application.

Regarding the applicant's financial ability, a representative of the utility stated that Mr. Werner owns Shangri-La by the Lake Mobile Home Park which is valued at approximately \$2,000,000. The mobile home park is the primary customer of the utility. Thus, we have the added assurance that Mr. Werner will provide the necessary financial assistance to the utility since the utility is necessary to protect his investment in the mobile home park. The water and wastewater service provided to the mobile home park is included in the monthly lot rental fees. Shangri-La's expenses are currently being paid out of the mobile home park's revenue. The utility has been operated in this manner since it was established in 1983. We reviewed Mr. Werner's personal financial statements and find that he has the financial ability to continue operating the utility.

Regarding the applicant's technical ability, the application states that the utility's contract operators and field employees have the technical ability to operate this utility pursuant to the rules and regulations of the Department of Environmental Protection (DEP).

We contacted DEP and learned that the utility's water and wastewater facilities are in satisfactory condition and there are no outstanding violations.

Additionally, the utility's requested territory includes an area which is not currently being served. The owner is planning to develop a second mobile home park and approximately six single family homes on adjacent properties. Shangri-La will be providing the water and

wastewater service to these additional customers. We believe there will be a need for service when the additional territory is developed and it is reasonable for this utility to serve that area.

Based on the foregoing, we find it is in the public interest to grant the application for original certificates. Accordingly, we hereby grant Shangri-La by the Lake Utilities, Inc. Water Certificate No. 567-W and Wastewater Certificate No. 494-S to serve the territory described in Attachment A.

BOOKS AND RECORDS

Rule 25-30.115, Florida Administrative Code, requires that water and wastewater utilities maintain their accounts and records in conformity with the 1984 NARUC Uniform System of Accounts adopted by the National Association of Regulatory Utility Commissioners. After we conducted an audit of the utility's books and records, it was determined that the utility does not maintain a system of books and records.

During our investigation, we found that either the prior utility owner did not maintain the books and records or did not submit them to the new owner following the sale of the mobile home park and utility facilities. However, a utility representative informed us that the current utility owner is planning to contract with a Florida based certified public accounting firm to establish and maintain the utility's books and records in accordance with the NARUC Uniform System of Accounts. Accordingly, the utility shall maintain its books and records in conformity with the 1984 NARUC Uniform System of Accounts.

RATE BASE

Our calculation of the appropriate rate base for the water and wastewater systems is depicted on Schedules Nos. 1 and 1-A. Our adjustments are itemized on Schedule 1-B. Those adjustments which are self-explanatory or which are essentially mechanical in nature are reflected on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

As previously discussed, the utility does not maintain a system of books and records. Consequently, the utility does not have any historical cost records relating to the utility's rate base. During the course of this proceeding, the utility contracted with a professional engineering firm to conduct an original cost study on the water and wastewater systems.

Ordinarily, we do not establish rate base in original certificate proceedings. Rather, it is simply used as an aid in calculating

initial rates. However, in this case, we reviewed the original cost study and we find that these costs are reasonable. Additionally, we were able to determine the additions which were made to utility plant in service by the current owner from the date he purchased the utility through June 30, 1994. In consideration of the time which has already been expended in obtaining and verifying this information, we find it appropriate to establish rate base at this time. The following is a discussion of our adjustments to rate base.

Utility Plant in Service

Because the utility does not maintain any books or records, the beginning balance for utility plant in service is \$0. Based upon our calculations, we find that the appropriate balance for utility plant in service is \$94,174 for water and \$152,065 for wastewater. The water and wastewater accounts shall be increased by \$68,500 for water and \$145,000 for wastewater to reflect the utility plant in service as shown in the original cost study. Additionally, an adjustment of \$4,845 shall be made to reflect 1991 additions to water plant in service that were necessary to extend water service to five single family homes. Further, we determined that additions of \$3,204 and \$6,315 were made to water and wastewater plant respectively in 1993 and 1994. A proforma adjustment of \$16,875 shall be made to reflect the cost of meters and meter installations which will be added to the 135 unmetered mobile home lots currently served by the utility. Finally, adjustments of \$750 shall be made to both water and wastewater to reflect the utility's organization costs.

Non-Used and Useful Plant

We determined that the utility's water and wastewater systems are nearly at full capacity. As previously discussed, the utility is planning to provide service to a second mobile home park and additional single family homes. However, it will be necessary for the utility to expand its facilities in order to serve these additional customers. Therefore, we find that no adjustments are necessary for non-used and useful plant.

Contributions-in-Aid-of-Construction

Rule 25-30.570(1), Florida Administrative Code, states:

If the amount of contributions-in-aid-of-construction (CIAC) has not been recorded on the utility's books and the utility does not submit competent substantial evidence as to the amount of CIAC, the amount of CIAC shall be imputed to be the amount of plant costs available, or the proportion of the cost of the facilities and plant attributable to the water transmission and distribution system and the sewage collection system.

The utility does not have any records which indicate whether or not the utility has collected any CIAC or written off the lines to cost of goods sold. The mobile home park is strictly a rental community and the owner still owns all of the lots within the park. Therefore, CIAC shall not be imputed for the mobile home park. However, the utility was not able to verify whether or not the lines installed to provide water service to the five single family homes were written off to cost of goods sold. In accordance with Rule 25-30.570(1), Florida Administrative Code, CIAC shall be imputed in the amount of the water transmission and distribution system which serves the single family homes. Additionally, we determined that the metered customers were required to pay a meter installation fee. Therefore, CIAC shall also be imputed to reflect the meter installation fees for the five single family homes. Since the utility does not maintain any books or records, the beginning balance for CIAC is \$0. Therefore, CIAC for water shall be decreased by \$4,520.

Accumulated Depreciation

The utility's beginning balance for accumulated depreciation is \$0. We calculated the utility's accumulated depreciation in accordance with Rule 25-30.140, Florida Administrative Code. Based on our calculations, the accumulated depreciation accounts shall be decreased by \$30,546 for water and \$70,842 for wastewater.

Amortization of CIAC

The utility's beginning balance for amortization of CIAC is \$0. We calculated the utility's amortization of CIAC in accordance with Rule 25-30.140(8)(a), Florida Administrative Code. Therefore, the amortization of CIAC account for water shall be increased by \$363.

Working Capital Allowance

Pursuant to Rule 25-30.443, Florida Administrative Code, we shall use the one-eighth of operation and maintenance expense formula to calculate working capital allowance. Applying that formula, the working capital allowance is \$2,860 for water and \$3,143 for wastewater.

Rate Base Summary

Based on the adjustments set forth herein, the rate base for Shangri-La shall be established at \$62,185 for the water system and \$84,367 for the wastewater system as of June 30, 1994.

RATE OF RETURN

Our calculation of the appropriate return on equity and overall rate of return and our adjustments are contained on Schedule No. 2. Those adjustments which are self-explanatory or which are essentially mechanical in nature are reflected on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

On October 7, 1992, Mr. William E. Werner entered into an agreement with Shangri-La by the Lake, Inc. to purchase Shangri-La by the Lake Mobile Home Park for the sum of \$1,750,000. The purchase included the mobile home park's water and wastewater facilities. According to the agreement, \$1,450,000 of the purchase price was covered through long-term debt, with the remaining \$300,000 being paid in cash. The agreement does not indicate how much of the purchase price is related to the utility assets. Therefore, we estimated the utility's capital structure using the percentage split between debt and equity that was used for the total purchase price. The resulting ratios are 82.86% long-term debt and 17.14% common equity.

The long-term debt of \$1,450,000 is comprised of a \$1,150,000 loan from Barnett Bank at a cost of 10.75% and a \$300,000 purchase money mortgage at a cost of 10.00%. The Barnett Bank loan represents 79.31% of total debt and the purchase money mortgage represents 20.69% of total debt. Applying the percentage of each loan to total debt multiplied by the costs results in a 10.59% cost of debt.

The utility's return on equity, when based on the leverage graph formula in Order No. PSC-95-0982-FOF-WS, issued August 10, 1995, is 15.65%. However, that Order capped the return on common equity at 11.88% for all water and wastewater utilities having equity ratios of less than 40%. Since the utility's equity ratio is less than 40%, the appropriate return on equity is 11.88%.

The utility's capital structure has been reconciled with the approved rate base. The weighted costs of 8.78% for debt and 2.04% for equity result in the appropriate overall rate of return of 10.82%.

RATES AND CHARGES

As discussed earlier, in a proceeding to grant certificates to a utility which is already in existence, the utility is authorized to continue charging its existing rates. However, because Shangri-La does not have specific water and wastewater rates, we find it appropriate to calculate initial water and wastewater rates in this proceeding.

Shangri-La is currently providing water and wastewater service to 135 mobile homes and water service to five single family homes. At present, only the five single family homes are metered. The mobile home park tenants receive water and wastewater service as part of their monthly rent. The prior utility owner was charging the five single family homes a flat fee of \$10 per month for water and wastewater service. We informed the current utility owner that the utility may not assess specific charges for water and wastewater service until we approve the rates. Therefore, the five single family homes are currently receiving the water and wastewater service at no charge. Further, a utility representative stated that the current owner has never charged these customers for water and wastewater service.

We determined that the utility exceeded its water use permit during the test year. The utility is currently authorized to pump 14,300,000 gallons per year. However, the utility's records indicated that the utility consumed 17,674,000 during an eleven-month span during the test year period. We believe the excessive consumption is primarily due to the lack of specific charges for water and wastewater service. We believe that the excessive consumption will be discouraged through the installation of water meters in the mobile home park and implementation of the base facility charge rate structure.

The utility representative further informed us that the current owner plans to install meters in the mobile home park in the future. However, the utility is required to follow a procedure under the Mobile Home Landlord Tenant Act prior to being authorized to install the meters in the mobile home park. This procedure will include negotiations with the Homeowners' Association. The utility anticipates that it may be a year before they can install the meters if the negotiations are successful.

In its application, Shangri-La requested approval of residential rates using the base facility charge rate structure for the metered

customers and a flat rate for the unmetered customers. The utility informed us that its requested rates were based upon a survey of the rates charged by other utilities near Shangri-La's service territory.

We believe rates should be calculated using the base facility charge rate structure. The preferable situation would be to meter the mobile home park at this time and begin charging all of the customers under the base facility charge rate structure. However, since it appears that this will not be possible in the immediate future, the utility requested that we approve rates for the metered customers at this time and allow the utility additional time to pursue approval of the remaining meter installations through the Mobile Home Landlord Tenant Act procedure.

The utility shall be allowed to charge the single family homes at this time. According to the utility's records, a significant portion of the excessive consumption is attributable to the single family homes. Therefore, we find it appropriate to set rates for those customers at this time. However, we also find that the utility shall only assess the new rates to customers who are currently metered. The utility shall continue to charge the mobile home park tenants in the current manner until such time as the utility is able to install water meters in the mobile home park.

We determined that the utility exceeded its authorized water use permit withdrawal limits. A portion of the water consumed was used by the mobile home park for the community swimming pool and irrigation of the common grounds. Taking into consideration that all of the water was not used by the residents, we estimated that the average residential consumption is approximately 10,000 gallons per month in the mobile home park and 24,000 gallons per month for the single family homes.

The service area is primarily a retirement community in which approximately half of the customers are seasonal residents. The average residential consumption appears to be high for this type of customer base. However, as discussed herein, we believe that the excessive consumption is primarily due to the utility's lack of usage specific charges for water and wastewater service. It is expected that the average consumption level will be less than the current figure after the meters are installed and the base facility charge rate structure is implemented. Therefore, we estimated that an average water consumption of 7,500 gallons per customer per month and a residential wastewater gallonage cap of 6,000 gallons per month is appropriate for the purpose of calculating rates.

Although the utility does not maintain a system of books and records, we were able to determine a portion of the utility's operation

and maintenance expenses for the 12 months ended June 30, 1994. The mobile home park and utility both operate out of the same office. Therefore, we allocated the related expenses equally between the mobile home park and utility. The utility's expenses were then split equally between water and wastewater. Also, we estimated additional expenses based upon our records of typical expenses incurred by Class C utilities regulated by the Commission.

All of the following expenses are annual expenses with the exception of a portion of the expense for accounting contractual services. As discussed earlier, the utility plans to hire a Florida based certified accounting firm to set-up and maintain its books and records. We were informed that the accounting firm will charge a one time fee of \$1,000 to set-up the books and records according to the NARUC Uniform System of Accounts. We believe this charge is reasonable in comparison to fees charged by other accounting firms and we find it appropriate to allow it. This expense shall be divided equally between water and wastewater, and amortized over a period of five years.

Depreciation expense for the water and wastewater systems are calculated to reflect the adjustments made to utility plant in service. Operating revenues and the corresponding regulatory assessment fees were adjusted to a level which allows the utility the opportunity to earn a 10.82% overall rate of return. The Schedule of Operations appears on Schedules Nos. 3 and 3-A with our adjustments appearing on Schedule No. 3-B.

The utility's capital structure is adjusted to reconcile with utility rate base. The appropriate return on common equity is 11.88% pursuant to the leverage formula as established in Order No. PSC-95-0982-FOF-WS. The utility's rates were calculated using the base facility charge rate structure and based on a revenue requirement of \$37,587 and \$45,515, for the water and wastewater systems, respectively. We calculated the rates based on the assumption that all of the customers will eventually be metered and charged under this rate structure. Although the utility did not request rates for general service customers, in keeping with current policy, we calculated rates for both the residential and general service classifications.

Additionally, the utility requested approval of customer deposits and miscellaneous service charges. We recalculated the customer deposits in accordance with Rule 25-30.311, Florida Administrative Code, using the rates approved in this Order. We are not requiring a separate deposit for the 1 inch meter because it does not appear that the utility will have any 1 inch meter customers. The utility's requested miscellaneous service charges conform to Staff

Advisory Bulletin No. 13, 2nd revised. The utility's proposed rates and charges, and our approved rates and charges are shown on Schedule No. 4.

The applicant filed a sample tariff as part of its application for a certificate. However, because we are establishing rates which differ than those proposed by the utility, it will be necessary for the utility to refile tariff sheets reflecting the approved rates and charges. Therefore, the utility shall file revised tariff sheets reflecting the approved rates and charges within thirty days of the issuance date of the Order.

In summary, the rates and charges set forth are appropriate for all metered customers of the utility. Also, the utility shall file revised tariff sheets reflecting the approved rates and charges within thirty days of the issuance date of the Order. In accordance with Rule 25-30.475, Florida Administrative Code, the rates and charges shall be effective for services rendered on or after the stamped approval date of the tariff sheets, provided the customers have received notice. The tariff sheets will be approved upon the verification that the tariff sheets are consistent with our decision and the proposed customer notice is adequate. The utility shall provide proof that the customers have received notice within ten days after the date of the notice.

SERVICE AVAILABILITY CHARGE

Shangri-La requested the following service availability charges in its application.

WaterWastewater

Connection Fees:

5/8" x 3/4" meter	\$125	\$300
1" meter	190	450

Cross Connection Charges:

5/8" x 3/4" dual check valve	\$55	N/A
1" dual check valve	75	N/A

The utility does not have any records which indicate whether or not the utility has collected any CIAC or written off the lines to cost of goods sold. In accordance with Rule 25-30.570(1), Florida Administrative Code, CIAC shall be imputed in the amount of the water transmission and distribution system and water meters which serve the single family homes. This results in a contribution level of

7.37% for water and 0% for wastewater. These levels are below the guidelines set forth in Rule 25-30.580, Florida Administrative Code. Rule 25-30.580(1)(b), Florida Administrative Code, states that the minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by the water transmission and distribution and wastewater collection systems. Following this guideline, the utility's minimum contribution level is 45.24% for water and 36.07% for wastewater.

However, Rule 25-30.580(2), Florida Administrative Code, states in any case where compliance with the guidelines of subsection (1) introduces unusual hardship or unreasonable difficulty, and the Commission, utility, or interested party shows that it is not in the best interests of the customers of the utility to require compliance, the Commission may exempt the utility from the guidelines. As previously discussed, we determined that the utility's facilities are almost 100% used and useful. However, it may be possible for the utility to add a few more customers before reaching full capacity. We believe that the implementation of service availability charges will not significantly impact the utility but could have adverse effects on some customers. In essence, the establishment of service availability charges at this time would result in the last few customers paying almost 100% of the customer contributions needed to bring the utility within the guidelines. Therefore, we find that the application of Rule 25-30.580(2), Florida Administrative Code, is appropriate in this proceeding. Shangri-La shall be exempt from compliance with Rule 25.30.580(1)(b), Florida Administrative Code, at this time. In the past, we exempted several utilities from compliance with the Rule. See Orders Nos. 24485, issued May 7, 1991, PSC-93-0508-FOF-SU, issued April 5, 1993, and PSC-93-0508-FOF-WS, issued November 18, 1993.

The utility anticipates providing service to a second mobile home park in the future. It will be necessary for the utility to expand its facilities prior to providing service to the second mobile home park. We find it appropriate to reevaluate the utility's need for service availability charges when it begins the necessary plant expansion.

As discussed, the utility plans to install water meters in the existing mobile home park. The existing customers shall not be required to pay a meter installation fee. Earlier in this Order, we granted a pro forma adjustment to utility plant in service to reflect the utility's investment in the new water meters. However, this adjustment only represents the installation of meters for the 135 existing customers within the mobile home park. Again, it may be possible for the utility to add a few more customers prior to expanding its facilities. We find it appropriate to allow the utility to charge

a meter installation fee to new customers which connect to the system after the utility installs the meters for existing customers. We hereby find that the appropriate meter installation fee is \$125. The meter installation fee shall be effective for meter installations for new customers made on or after the stamped approval date on the tariff sheets. The utility shall file revised tariff sheets reflecting the approved meter installation fee within thirty days of the issuance date of the Order. The tariff sheets will be approved upon verification that the revised tariff sheets are consistent with the our decision.

REGULATORY ASSESSMENT FEES AND ANNUAL REPORT

Pursuant to Rules 25-30.110(3) and 25-30.120(2), Florida Administrative Code, annual reports and regulatory assessment fees are due from regulated utilities regardless of whether a certificate has been granted. Shangri-La has been subject to this Commission's jurisdiction since it was established on April 21, 1983, although we did not learn of its existence until approximately the early part of 1994. The utility was advised of the Commission's jurisdiction and its responsibility to obtain a certificate at that time.

However, because the utility has not been charging specific rates for water and wastewater service, there are no utility revenues on which to assess the regulatory assessment fees. Rule 25-30.120(1), states in part that "Regardless of the gross operating revenue of a utility, a minimum annual regulatory assessment fee of \$25 shall be imposed." Therefore, the utility shall be required to remit regulatory assessment fees for 1994. Further, the utility shall file an annual report for 1994. The utility shall be given 45 days from the issuance of this Order to file these items.

Upon expiration of the protest period, if there are no timely protests to the proposed agency action issues, no further action will be required and the docket shall be closed.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Shangri-La by the Lake Utilities, Inc. is hereby granted Certificates Nos. 567-W and 494-S to serve the territory described in Attachment A. It is further

ORDERED that Shangri-La by the Lake Utilities, Inc. is authorized to charge the new rates as set forth in the body of this Order. It is further

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ORDERED that all matters contained in the schedules attached hereto are by reference incorporated herein. It is further

ORDERED that Shangri-La by the Lake Utilities, Inc.'s rates and charges shall be effective for service rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that the customers have received notice. It is further

ORDERED that Shangri-La by the Lake Utilities, Inc. shall provide proof that the customers have received notice within 10 days of the date of the notice. It is further

ORDERED that, prior to its implementation of the rates and charges approved herein, Shangri-La by the Lake Utilities, Inc. shall submit and have approved a proposed customer notice to its customers of the rates and charges and reasons therefor. The notice will be approved upon our staff's verification that it is consistent with our decision herein. It is further

ORDERED that, prior to the implementation of rates and charges approved herein, Shangri-La by the Lake Utilities, Inc. shall submit and have approved revised tariff sheets within thirty days of the issuance of this Order. The revised tariff sheets will be approved upon our staff's verification that the pages are consistent with our decision herein, that the protest period has expired, and that the customer notice is adequate. It is further

ORDERED that the service availability charge approved herein shall be effective for service rendered on or after the stamped approval date of the revised tariff sheets. It is further

ORDERED that Shangri-La by the Lake Utilities, Inc. shall maintain its books and records in conformity with the 1984 NARUC Uniform Systems of Accounts and Rule 25-30.115, Florida Administrative Code. It is further

ORDERED that Shangri-La by the Lake Utilities, Inc. shall remit regulatory assessment fees for 1994, and file its 1994 annual report within 45 days from the issuance of this Order. It is further

ORDERED that Shangri-La by the Lake Utilities Inc. shall not show cause why it should be fined for failing to obtain certificates of authorization to provide water and wastewater service. It is further

ORDERED that the provision of this Order, regarding our establishment of rate base, return on equity, rate of return, and

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rates and charges are issued as proposed agency action and shall become final, unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director of the Division of Records and Reporting at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that in the event this Order becomes final, this docket should be closed.

By ORDER of the Florida Public Service Commission, this 12th day of January, 1996.

/s/ Blanca S. Bayó

BLANCA S. BAYÓ, Director
Division of Records and Reporting

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-904-413-6770.

(S E A L)

ATTACHMENT PAGES 20-31 ARE NOT AVAILABLE IN ELECTRONIC MEDIUM.

MSN

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action establishing rate base, return on equity, rate of return, and rates and charges is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7) (a) and (f), Florida Administrative Code.

This petition must be received by the Director, Division of Records and Reporting, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 2, 1996. In the absence of such a petition, this order shall become effective on the date subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If the relevant portion of this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme

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Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

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WATER UTILITIES

ATTACHMENT A

Shangri-La by the Lake Utilities, Inc.

TERRITORY DESCRIPTION

The following described lands located in Section 6, Township 19 South, Range 26 East, Lake County, Florida:

Begin for a Point of Beginning at the Southwest corner of Section 6, Township 19 South, Range 26 East, Lake County, Florida, also described as the Southwest corner of Government Lot 9 of said Section 6, run thence N. 0° 28' 58" E. a distance of 1285.90 feet to the Northwest corner of said Government Lot 9, run thence North 89° 59' 40" E. a distance of 2711.55 feet, more or less to the waters of Lake Eustis to a point hereby designated as Point "A"; begin again at the point of beginning and run East along the South line of said section 6 a distance of 1363.00 feet, run thence North 100.00 feet, run thence East 450.00 feet, more or less, to the waters of Lake Eustis, run thence in a Northeasterly direction along the waters of Lake Eustis to the aforesaid point "A" and point of termination.

Also, the South 685 feet of the East 380 feet of the Southeast 1/4 of the Southeast 1/4 of Section 1, Township 19 South, Range 25 East. Less the East 50 feet and less the South 25 feet thereof.

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for amendment of
Certificates 567-W and 494-S to extend water
and wastewater service areas to include certain
land in Lake County by Shangri-La by the
Lake Utilities, Inc.

DOCKET NO. 050875-WS
ORDER NO. PSC-06-0095-FOF-WS
ISSUED: February 10, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

FINAL ORDER AMENDING CERTIFICATE NOS. 567-W AND 494-S
TO INCLUDE ADDITIONAL TERRITORY IN LAKE COUNTY

BY THE COMMISSION:

Background

On November 16, 2005, Shangri-La filed an application with this Commission to amend for amendment of its water and wastewater certificates, pursuant to Section 367.045, Florida Statutes, and Rule 25-30.036, Florida Administrative Code. Shangri-La-By-The-Lake Utilities, Inc. (Shangri-La or utility) is a Class C water and wastewater utility company serving 150 water and 142 wastewater customers in Lake County. The utility was issued certificates on January 12, 1996, by Order No. PSC-96-0062-FOF-WS. The utility's 2004 annual report lists \$19,530 in water revenue and \$39,061 in wastewater revenue, with a total overall net loss of \$35,253.

The amendment would allow Shangri-La to provide water and wastewater service for up to 84 single family homes by adding the territory described below in Attachment A to its certificates. We have jurisdiction pursuant to Section 367.045, Florida Statutes.

Amendment

The application is in compliance with the governing statute, Section 367.045, Florida Statutes, and administrative rules concerning an application for amendment of certificate. The application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code. No objections were received and the time for filing objections has expired. The Department of Community Affairs has stated that the project is consistent with Lake County's Comprehensive Plan, and identified no growth management concerns with the area requested for amendment.

DOCUMENT NUMBER DATE

01167 FEB 10 06

FPSC-COMMISSION CLERK

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Adequate service territory maps and a territory description have been provided as prescribed by Rule 25-30.036(3)(e) and (i), Florida Administrative Code. The utility has entered into a developer agreement for provision of water and wastewater service in the new area. Harbor Shores will receive water service only to 80 single family homes. Harbor Shores will have septic tanks installed to serve these homes. Insim Estates will receive both water and wastewater service to the four new homes to be built. On-site lines for both developments will be constructed by and at the cost of the developer, and then deeded to the utility company. The current water and wastewater plants are adequate to provide service to the new developments. There are no outstanding notices of violation or consent orders with the Department of Environmental Protection.

We are satisfied that the utility is sufficiently experienced and has the financial and technical ability to provide service to the area requested. There are no complaints pending in the Division of Regulatory Compliance and Consumer Assistance.

Based upon the above information, we find that it is in the public interest that the utility's application be granted and the land described in Attachment A, attached hereto, be added to the water and wastewater certificated territory of Shangri-La-By-The-Lake Utilities, Inc. Shangri-La shall charge the customers in the added territory the same rates and charges contained in its tariff until authorized to change by this Commission in a subsequent proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Shangri-La-By-The-Lake Utilities, Inc.'s application for amendment of Certificate Nos. 567-W and 494-S is hereby approved as set forth in the body of this order. It is further

ORDERED that Attachment A is incorporated herein by reference. It is further

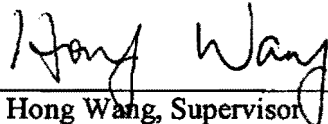
ORDERED that Shangri-La-By-The-Lake Utilities, Inc. shall charge the customers in the territory added herein the rates and charges approved in its tariff until authorized to change by this Commission. It is further

ORDERED that this docket shall be closed.

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By ORDER of the Florida Public Service Commission this 10th day of February, 2006.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: 

Hong Wang, Supervisor
Case Management Review Section

(S E A L)

KEF

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Director, Division of the Commission Clerk and Administrative Services and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ATTACHMENT A

AMENDMENT TO WATER AND WASTEWATER SERVICE TERRITORY FOR
SHANGRI-LA-BY-THE-LAKE UTILITIES, INC. IN LAKE COUNTY

PARCEL 1 (HARBOR SHORES) WATER SERVICE ONLY:

THAT PART OF GOVERNMENT LOT 7, SECTION 6, TOWNSHIP 19 SOUTH,
RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7,
THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7,
66.00 FEET TO THE SOUTHERLY EXTENSION OF THE EAST RIGHT OF WAY LINE
OF HARBOR SHORES DRIVE; THENCE RUN N00°04'08"W ALONG SAID
SOUTHERLY EXTENSION, 33.00 FEET TO THE INTERSECTION OF THE NORTH
RIGHT OF WAY LINE AND EAST RIGHT OF WAY LINE OF SAID HARBOR SHORES
DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N00°04'08"W ALONG SAID
EAST RIGHT OF WAY LINE, 951.09 FEET TO A POINT 300.00 FEET SOUTH OF
THE NORTHWEST CORNER OF GOVERNMENT LOT 7; THENCE RUN N89°26'52"E
PARALLEL WITH THE NORTH LINE OF GOVERNMENT LOT 7, 726.00 FEET;
THENCE RUN N00°04'08"W PARALLEL WITH THE WEST LINE OF GOVERNMENT
LOT 7, 300.00 FEET TO A POINT 759.00 EAST OF THE NORTHWEST CORNER OF
GOVERNMENT LOT 7; THENCE RUN N89°26'52"E ALONG SAID NORTH LINE,
594.19 FEET TO THE MEANDER LINE AS ESTABLISHED BY U.S. GENERAL LAND
OFFICE IN 1926; THENCE RUN S02°31'38"E ALONG SAID MEANDER LINE, 299.29
FEET; THENCE CONTINUE ALONG SAID MEANDER LINE S29°50'19"W, 667.71
FEET TO THE WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE;
THENCE RUN S39°23'45"W ALONG SAID WESTERLY RIGHT OF WAY LINE, 490.42
FEET TO THE INTERSECTION OF THE NORTH RIGHT OF WAY LINE AND
WESTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE; THENCE RUN
S89°26'52"W ALONG SAID NORTH RIGHT OF WAY LINE, 688.37 FEET TO THE
POINT OF BEGINNING.

AMENDMENT TO WATER AND WASTEWATER SERVICE TERRITORY FOR
SHANGRI-LA-BY-THE-LAKE UTILITIES, INC. IN LAKE COUNTY

PARCEL 2 (INSIM ESTATES) WATER AND WASTEWATER SERVICE:

THAT PART OF GOVERNMENT LOTS 7 AND 12, SECTION 6, TOWNSHIP 19 SOUTH, RANGE 26 EAST, LAKE COUNTY, FLORIDA, BEING DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHWEST CORNER OF GOVERNMENT LOT 7, THENCE RUN N89°26'52"E ALONG THE SOUTH LINE OF GOVERNMENT LOT 7, 813.11 FEET TO THE EASTERLY RIGHT OF WAY LINE OF HARBOR SHORES DRIVE FOR THE POINT OF BEGINNING; THENCE RUN N39°23'45"E ALONG SAID EASTERLY RIGHT OF WAY LINE, 130.44 FEET TO A LINE 100 FEET NORTH OF, WHEN MEASURED PERPENDICULAR TO, THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN N89°26'52"E ALONG SAID LINE 100 FEET NORTH OF GOVERNMENT LOT 12, 784 FEET MORE OR LESS TO THE WATER'S EDGE OF LAKE EUSTIS; THENCE RUN SOUTHWESTERLY ALONG SAID WATER'S EDGE TO THE SOUTH LINE OF GOVERNMENT LOT 12; THENCE RUN S89°26'52"W ALONG THE SOUTH LINE OF GOVERNMENT LOT 12 AND 7, 790 FEET MORE OR LESS TO THE POINT OF BEGINNING.

EXHIBIT X

Attached hereto is an affidavit of Gary A. Deremer, President & Chief Operating Officer of LWI, affirming that the facts stated herein and in the attached exhibits are true and correct.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Lakeside Waterworks, Inc.'s Application)
for Approval of Transfer of Shangri-La By The)
Lake Utilities, Inc. Water and Wastewater System)
in Lake, Florida.)
_____)

Docket No. _____

Filed: December 19, 2012

AFFIDAVIT

STATE OF FLORIDA:
COUNTY OF PASCO:

BEFORE ME, the undersigned authority, personally appeared Gary A. Deremer,
who after being duly sworn, deposes and says:

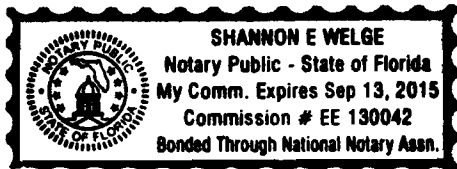
1. That I, Gary A. Deremer, am the President and Chief Operating Officer of Lakeside Waterworks, Inc.
2. That I hereby affirm that the facts stated in Lakeside Waterworks, Inc.'s Application for Approval of Transfer, Application for Transfer of Shangri-La By The Lake Utilities, Inc. Water and Wastewater System and Amendment of Certificate in Lake County, Florida, and the attached exhibits thereto are true and correct.
3. Further, Affiant sayeth not.



GARY A. DEREMER

STATE OF FLORIDA:
COUNTY OF PASCO:

Subscribed and sworn to before me this 19 day of December, 2012, by Gary A. Deremer, who is personally known to me.





NOTARY PUBLIC
My Commission Expires: